

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-Q**

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
**For the quarterly period ended September 30, 2024**

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
OR  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_

**Commission File Number 1-6075**

**UNION PACIFIC CORPORATION**

(Exact name of registrant as specified in its charter)

**Utah**  
(State or other jurisdiction of incorporation or organization)

**13-2626465**  
(I.R.S. Employer Identification No.)

**1400 Douglas Street, Omaha, Nebraska**  
(Address of principal executive offices)

**68179**  
(Zip Code)

**(402) 544-5000**

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each Class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock (Par Value \$2.50 per share)	UNP	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes    No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes    No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer	<input checked="" type="checkbox"/>	Accelerated Filer	<input type="checkbox"/>	Non-Accelerated Filer	<input type="checkbox"/>
Smaller Reporting Company	<input type="checkbox"/>	Emerging Growth Company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes    No

As of October 18, 2024, there were 606,256,627 shares of the Registrant's Common Stock outstanding.

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**PART I. FINANCIAL INFORMATION**
**Item 1. Condensed Consolidated Financial Statements**
**Condensed Consolidated Statements of Income (Unaudited)**
*Union Pacific Corporation and Subsidiary Companies*

<i>Millions, Except Per Share Amounts, for the Three Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Operating revenues:		
Freight revenues	\$ 5,768	\$ 5,545
Other revenues	323	396
Total operating revenues	6,091	5,941
Operating expenses:		
Compensation and benefits	1,228	1,201
Purchased services and materials	644	668
Fuel	610	702
Depreciation	602	580
Equipment and other rents	237	235
Other	354	378
Total operating expenses	3,675	3,764
Operating income	2,416	2,177
Other income, net (Note 6)	87	106
Interest expense	(314)	(334)
Income before income taxes	2,189	1,949
Income tax expense (Note 7)	(518)	(421)
Net income	\$ 1,671	\$ 1,528
Share and per share (Note 8):		
Earnings per share - basic	\$ 2.75	\$ 2.51
Earnings per share - diluted	\$ 2.75	\$ 2.51
Weighted average number of shares - basic	607.6	608.7
Weighted average number of shares - diluted	608.6	609.8

**Condensed Consolidated Statements of Comprehensive Income (Unaudited)**
*Union Pacific Corporation and Subsidiary Companies*

<i>Millions, for the Three Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Net income	\$ 1,671	\$ 1,528
Other comprehensive income/(loss):		
Defined benefit plans	-	(2)
Foreign currency translation	(86)	22
Unrealized gain on derivative instruments	-	-
Total other comprehensive income/(loss) [a]	(86)	20
Comprehensive income	\$ 1,585	\$ 1,548

[a] Net of deferred taxes of \$1 million and (\$1) million during the three months ended September 30, 2024 and 2023, respectively.

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Income (Unaudited)***Union Pacific Corporation and Subsidiary Companies*

<i>Millions, Except Per Share Amounts, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Operating revenues:		
Freight revenues	\$ 17,022	\$ 16,770
Other revenues	1,107	1,190
Total operating revenues	18,129	17,960
Operating expenses:		
Compensation and benefits	3,638	3,649
Purchased services and materials	1,901	1,971
Fuel	1,893	2,132
Depreciation	1,792	1,729
Equipment and other rents	672	718
Other	1,045	1,086
Total operating expenses	10,941	11,285
Operating income	7,188	6,675
Other income, net (Note 6)	282	383
Interest expense	(957)	(1,009)
Income before income taxes	6,513	6,049
Income tax expense (Note 7)	(1,528)	(1,322)
Net income	\$ 4,985	\$ 4,727
Share and per share (Note 8):		
Earnings per share - basic	\$ 8.19	\$ 7.76
Earnings per share - diluted	\$ 8.18	\$ 7.75
Weighted average number of shares - basic	608.7	609.3
Weighted average number of shares - diluted	609.7	610.3

**Condensed Consolidated Statements of Comprehensive Income (Unaudited)***Union Pacific Corporation and Subsidiary Companies*

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Net income	\$ 4,985	\$ 4,727
Other comprehensive income/(loss):		
Defined benefit plans	1	3
Foreign currency translation	(79)	66
Unrealized gain on derivative instruments	-	16
Total other comprehensive income/(loss) [a]	(78)	85
Comprehensive income	\$ 4,907	\$ 4,812

[a] Net of deferred taxes of \$1 million and (\$4) million during the nine months ended September 30, 2024 and 2023, respectively

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

**Condensed Consolidated Statements of Financial Position (Unaudited)**  
*Union Pacific Corporation and Subsidiary Companies*

<i>Millions, Except Share and Per Share Amounts</i>	<b>Sep. 30, 2024</b>	<i>Dec. 31, 2023</i>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 947	\$ 1,055
Short-term investments (Note 13)	20	16
Accounts receivable, net (Note 10)	2,036	2,073
Materials and supplies	775	743
Other current assets	371	261
<b>Total current assets</b>	<b>4,149</b>	<b>4,148</b>
Investments		
Properties, net (Note 11)	2,649	2,605
Operating lease assets	58,036	57,398
Other assets	1,345	1,643
Other assets	1,391	1,338
<b>Total assets</b>	<b>\$ 67,570</b>	<b>\$ 67,132</b>
<b>Liabilities and Common Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and other current liabilities (Note 12)	\$ 3,714	\$ 3,683
Debt due within one year (Note 14)	1,652	1,423
<b>Total current liabilities</b>	<b>5,366</b>	<b>5,106</b>
Debt due after one year (Note 14)	29,761	31,156
Operating lease liabilities	934	1,245
Deferred income taxes	13,199	13,123
Other long-term liabilities	1,726	1,714
Commitments and contingencies (Note 15)		
<b>Total liabilities</b>	<b>50,986</b>	<b>52,344</b>
Common shareholders' equity:		
Common shares, \$2.50 par value, 1,400,000,000 authorized; 1,113,023,704 and 1,112,854,806 issued; 606,908,876 and 609,703,814 outstanding, respectively	2,783	2,782
Paid-in-surplus	5,297	5,193
Retained earnings	64,677	62,093
Treasury stock	(55,481)	(54,666)
Accumulated other comprehensive loss (Note 9)	(692)	(614)
<b>Total common shareholders' equity</b>	<b>16,584</b>	<b>14,788</b>
<b>Total liabilities and common shareholders' equity</b>	<b>\$ 67,570</b>	<b>\$ 67,132</b>

*The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.*

**Condensed Consolidated Statements of Cash Flows (Unaudited)**  
*Union Pacific Corporation and Subsidiary Companies*

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
<b>Operating Activities</b>		
Net income	\$ 4,985	\$ 4,727
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation	1,792	1,729
Deferred and other income taxes	77	59
Other operating activities, net	(52)	(121)
Changes in current assets and liabilities:		
Accounts receivable, net	37	(38)
Materials and supplies	(32)	(29)
Other current assets	(92)	(73)
Accounts payable and other current liabilities	(82)	(381)
Income and other taxes	51	111
Cash provided by operating activities	<b>6,684</b>	<b>5,984</b>
<b>Investing Activities</b>		
Capital investments	(2,530)	(2,582)
Other investing activities, net	104	(68)
Cash used in investing activities	<b>(2,426)</b>	<b>(2,650)</b>
<b>Financing Activities</b>		
Dividends paid	(2,403)	(2,380)
Debt repaid	(2,220)	(2,179)
Share repurchase programs (Note 16)	(831)	(705)
Debt issued (Note 14)	800	1,599
Other financing activities, net	279	125
Cash used in financing activities	<b>(4,375)</b>	<b>(3,540)</b>
Net change in cash, cash equivalents, and restricted cash	<b>(117)</b>	<b>(206)</b>
Cash, cash equivalents, and restricted cash at beginning of year	<b>1,074</b>	<b>987</b>
Cash, cash equivalents, and restricted cash at end of period	<b>\$ 957</b>	<b>\$ 781</b>
<b>Supplemental Cash Flow Information</b>		
Non-cash investing and financing activities:		
Capital investments accrued but not yet paid	\$ 153	\$ 187
Cash paid during the period for:		
Income taxes, net of refunds	\$ (1,219)	\$ (1,155)
Interest, net of amounts capitalized	(1,074)	(1,113)
<b>Reconciliation of cash, cash equivalents, and restricted cash to the Condensed Consolidated Statement of Financial Position:</b>		
Cash and cash equivalents	\$ 947	\$ 750
Restricted cash equivalents in other current assets	2	22
Restricted cash equivalents in other assets	8	9
Total cash, cash equivalents, and restricted cash equivalents per above	<b>\$ 957</b>	<b>\$ 781</b>

*The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.*

**Condensed Consolidated Statements of Changes in Common Shareholders' Equity (Unaudited)**  
*Union Pacific Corporation and Subsidiary Companies*

<i>Millions</i>	<i>Common Shares</i>	<i>Treasury Shares</i>	<i>Common Shares</i>	<i>Paid-in-Surplus</i>	<i>Retained Earnings</i>	<i>Treasury Stock</i>	<i>AOCI [a]</i>	<i>Total</i>
Balance at July 1, 2023	1,112.9	(503.5)	\$ 2,782	\$ 5,128	\$ 60,500	\$ (54,699)	\$ (517)	\$ 13,194
Net income			-	-	1,528	-	-	1,528
Other comprehensive income/(loss)			-	-	-	-	20	20
Conversion, stock option exercises, forfeitures, ESPP, and other [b]	-	0.2	-	38	-	17	-	55
Share repurchase programs (Note 16)	-	-	-	-	-	-	-	-
Dividends declared (\$1.30 per share)	-	-	-	-	(793)	-	-	(793)
<b>Balance at September 30, 2023</b>	<b>1,112.9</b>	<b>(503.3)</b>	<b>\$ 2,782</b>	<b>\$ 5,166</b>	<b>\$ 61,235</b>	<b>\$ (54,682)</b>	<b>\$ (497)</b>	<b>\$ 14,004</b>
Balance at July 1, 2024	1,113.0	(503.3)	\$ 2,783	\$ 5,249	\$ 63,820	\$ (54,757)	\$ (606)	\$ 16,489
Net income			-	-	1,671	-	-	1,671
Other comprehensive income/(loss)			-	-	-	-	(86)	(86)
Conversion, stock option exercises, forfeitures, ESPP, and other [b]	-	0.2	-	48	-	14	-	62
Share repurchase programs (Note 16)	-	(3.0)	-	-	-	(738)	-	(738)
Dividends declared (\$1.34 per share)	-	-	-	-	(814)	-	-	(814)
<b>Balance at September 30, 2024</b>	<b>1,113.0</b>	<b>(506.1)</b>	<b>\$ 2,783</b>	<b>\$ 5,297</b>	<b>\$ 64,677</b>	<b>\$ (55,481)</b>	<b>\$ (692)</b>	<b>\$ 16,584</b>

<i>Millions</i>	<i>Common Shares</i>	<i>Treasury Shares</i>	<i>Common Shares</i>	<i>Paid-in-Surplus</i>	<i>Retained Earnings</i>	<i>Treasury Stock</i>	<i>AOCI [a]</i>	<i>Total</i>
Balance at January 1, 2023	1,112.6	(500.2)	\$ 2,782	\$ 5,080	\$ 58,887	\$ (54,004)	\$ (582)	\$ 12,163
Net income			-	-	4,727	-	-	4,727
Other comprehensive income/(loss)			-	-	-	-	85	85
Conversion, stock option exercises, forfeitures, ESPP, and other [b]	0.3	0.4	-	86	-	34	-	120
Share repurchase programs (Note 16)	-	(3.5)	-	-	-	(712)	-	(712)
Dividends declared (\$3.90 per share)	-	-	-	-	(2,379)	-	-	(2,379)
<b>Balance at September 30, 2023</b>	<b>1,112.9</b>	<b>(503.3)</b>	<b>\$ 2,782</b>	<b>\$ 5,166</b>	<b>\$ 61,235</b>	<b>\$ (54,682)</b>	<b>\$ (497)</b>	<b>\$ 14,004</b>
Balance at January 1, 2024	1,112.9	(503.2)	\$ 2,782	\$ 5,193	\$ 62,093	\$ (54,666)	\$ (614)	\$ 14,788
Net income			-	-	4,985	-	-	4,985
Other comprehensive income/(loss)			-	-	-	-	(78)	(78)
Conversion, stock option exercises, forfeitures, ESPP, and other [b]	0.1	0.6	1	104	-	34	-	139
Share repurchase programs (Note 16)	-	(3.5)	-	-	-	(849)	-	(849)
Dividends declared (\$3.94 per share)	-	-	-	-	(2,401)	-	-	(2,401)
<b>Balance at September 30, 2024</b>	<b>1,113.0</b>	<b>(506.1)</b>	<b>\$ 2,783</b>	<b>\$ 5,297</b>	<b>\$ 64,677</b>	<b>\$ (55,481)</b>	<b>\$ (692)</b>	<b>\$ 16,584</b>

[a] AOCI = accumulated other comprehensive income/loss (Note 9)

[b] ESPP = employee stock purchase plan

The accompanying notes are an integral part of these unaudited Condensed Consolidated Financial Statements.

## UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "Corporation", "Company", "UPC", "we", "us", and "our" mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which will be separately referred to herein as "UPRR" or the "Railroad".

**1. Basis of Presentation**

Our Condensed Consolidated Financial Statements are unaudited and reflect all adjustments (consisting of normal and recurring adjustments) that are, in the opinion of management, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Pursuant to the rules and regulations of the Securities and Exchange Commission (SEC), certain information and note disclosures normally included in financial statements prepared in accordance with GAAP have been condensed or omitted. Accordingly, this Quarterly Report on Form 10-Q should be read in conjunction with our Consolidated Financial Statements and notes thereto contained in our 2023 Annual Report on Form 10-K. Our Consolidated Statement of Financial Position at December 31, 2023, is derived from audited financial statements. The results of operations for the nine months ended September 30, 2024, are not necessarily indicative of the results for the entire year ending December 31, 2024.

The Condensed Consolidated Financial Statements are presented in accordance with GAAP as codified in the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC).

**2. Accounting Pronouncements**

In December 2023, the FASB issued Accounting Standards Update No. (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires business entities to expand their annual disclosures of the effective rate reconciliation and income taxes paid. The ASU is effective for fiscal years beginning after December 15, 2024, may be adopted on a prospective or retrospective basis, and early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on our related disclosures.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires business entities to enhance disclosures about significant segment expenses. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, on a retrospective basis, and early adoption is permitted. The Company is currently evaluating the effect that the new guidance will have on our related disclosures.

**3. Operations and Segmentation**

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable operating segment. Although we provide and analyze revenues by commodity group, we treat the financial results of the Railroad as one segment due to the integrated nature of our rail network. Our operating revenues are primarily derived from contracts with customers for the transportation of freight from origin to destination.

The following table represents a disaggregation of our freight and other revenues:

Millions	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Bulk	\$ 1,805	\$ 1,766	\$ 5,343	\$ 5,420
Industrial	2,121	2,057	6,348	6,160
Premium	1,842	1,722	5,331	5,190
Total freight revenues	\$ 5,768	\$ 5,545	\$ 17,022	\$ 16,770
Other subsidiary revenues	179	226	608	681
Accessorial revenues	122	142	427	442
Other	22	28	72	67
Total operating revenues	\$ 6,091	\$ 5,941	\$ 18,129	\$ 17,960



Although our revenues are principally derived from customers domiciled in the U.S., the ultimate points of origination or destination for some products we transport are outside the U.S. Each of our commodity groups includes revenues from shipments to and from Mexico. Included in the above table are revenues from our Mexico business, which amounted to \$724 million and \$673 million for the three months ended September 30, 2024 and 2023, respectively, and \$2.3 billion and \$2.1 billion for the nine months ended September 30, 2024 and 2023, respectively.

#### 4. Stock-Based Compensation

We have several stock-based compensation plans where employees receive nonvested stock options, nonvested retention shares, and nonvested stock units. We refer to the nonvested shares and stock units collectively as “retention awards”. In addition, employees may participate in our employee stock purchase plan (ESPP).

Information regarding stock-based compensation expense appears in the table below:

<i>Millions</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2024</b>	2023	<b>2024</b>	2023
Stock-based compensation, before tax:				
Stock options	\$ 4	\$ 4	\$ 13	\$ 12
Retention awards	23	24	58	57
ESPP	6	4	16	15
<b>Total stock-based compensation, before tax</b>	<b>\$ 33</b>	<b>\$ 32</b>	<b>\$ 87</b>	<b>\$ 84</b>
Excess income tax benefits from equity compensation plans	\$ 3	\$ 2	\$ 13	\$ 9

**Stock Options** – Stock options are granted at the closing price on the date of grant, have 10-year contractual terms, and vest no later than 3 years from the date of grant. None of the stock options outstanding at September 30, 2024, is subject to performance or market-based vesting conditions.

The table below shows the annual weighted-average assumptions used for Black-Scholes valuation purposes:

<i>Weighted-Average Assumptions</i>	<b>2024</b>	2023
Risk-free interest rate	<b>4.2%</b>	3.9%
Dividend yield	<b>2.1%</b>	2.6%
Expected life (years)	<b>4.4</b>	4.5
Volatility	<b>28.7%</b>	29.3%
<b>Weighted-average grant-date fair value of options granted</b>	<b>\$ 61.75</b>	\$ 48.31

The risk-free rate is based on the U.S. Treasury yield curve in effect at the time of grant; the expected dividend yield is calculated as the ratio of dividends paid per share of common stock to the stock price on the date of grant; the expected life is based on historical and expected exercise behavior; and expected volatility is based on the historical volatility of our stock price over the expected life of the stock option.

A summary of stock option activity during the nine months ended September 30, 2024, is presented below:

	<i>Options (thous.)</i>	<i>Weighted- Average Exercise Price</i>	<i>Weighted-Average Remaining Contractual Term (in yrs.)</i>	<i>Aggregate Intrinsic Value (millions)</i>
Outstanding at January 1, 2024	2,072	\$ 180.56	5.9	\$ 135
Granted	305	248.82	N/A	N/A
Exercised	(306)	147.67	N/A	N/A
Forfeited or expired	(45)	230.75	N/A	N/A
<b>Outstanding at September 30, 2024</b>	<b>2,026</b>	<b>\$ 194.69</b>	<b>6.0</b>	<b>\$ 106</b>
Vested or expected to vest at September 30, 2024	2,008	\$ 194.38	6.0	\$ 105
Options exercisable at September 30, 2024	1,434	\$ 179.46	4.9	\$ 96

At September 30, 2024, there was \$20 million of unrecognized compensation expense related to nonvested stock options, which is expected to be recognized over a weighted-average period of 1.1 years. Additional information regarding stock option exercises appears in the following table:

<i>Millions</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Intrinsic value of stock options exercised	\$ 15	\$ 10	\$ 31	\$ 17
Cash received from option exercises	16	9	40	17
Treasury shares repurchased for employee payroll taxes	(2)	(1)	(7)	(3)
Income tax benefit realized from option exercises	2	2	6	4
Aggregate grant-date fair value of stock options vested	-	-	15	14

**Retention Awards** – Retention awards are granted at no cost to the employee, vest over periods lasting up to 4 years, and have dividends and dividend equivalents paid to participants during the vesting periods.

Changes in our retention awards during the nine months ended September 30, 2024, were as follows:

	<i>Shares (thous.)</i>	<i>Weighted-Average Grant-Date Fair Value</i>
Nonvested at January 1, 2024	996	\$ 207.76
Granted	211	248.75
Vested	(245)	186.67
Forfeited	(34)	220.17
Nonvested at September 30, 2024	928	\$ 222.19

At September 30, 2024, there was \$85 million of total unrecognized compensation expense related to nonvested retention awards, which is expected to be recognized over a weighted-average period of 1.3 years.

**Performance Stock Unit Awards** – In February 2024, our Board of Directors approved performance stock unit grants. This plan is based on performance targets for annual return on invested capital (ROIC) and operating income growth (OIG) compared to companies in the S&P 100 Industrials Index plus the Class I railroads. We define ROIC as net operating profit adjusted for interest expense (including interest on average operating lease liabilities) and taxes on interest divided by average invested capital adjusted for average operating lease liabilities.

The February 2024 stock units awarded to executives are subject to continued employment for 37 months, the attainment of certain levels of ROIC, and the relative three-year OIG. We expense two-thirds of the fair value of the units that are probable of being earned based on our forecasted ROIC over the three-year performance period, and with respect to the third year of the plan, we expense the remaining one-third of the fair value subject to the relative three-year OIG. We measure the fair value of performance stock units based upon the closing price of the underlying common stock as of the date of grant. Dividend equivalents are accumulated during the service period and paid to participants only after the units are earned.

Changes in our performance stock unit awards during the nine months ended September 30, 2024, were as follows:

	<i>Shares (thous.)</i>	<i>Weighted-Average Grant-Date Fair Value</i>
Nonvested at January 1, 2024	617	\$ 204.50
Granted	227	248.82
Vested	(119)	204.67
Unearned	(70)	204.45
Forfeited	(46)	228.59
Nonvested at September 30, 2024	609	\$ 219.17

At September 30, 2024, there was \$19 million of total unrecognized compensation expense related to nonvested performance stock unit awards, which is expected to be recognized over a weighted-average period of 1.3 years. This expense is subject to achievement of the performance measures established for the performance stock unit grants.

## 5. Retirement Plans

We provide defined benefit retirement income to eligible non-union employees through qualified and non-qualified (supplemental) pension plans. Qualified and non-qualified pension benefits are based on years of service and the highest compensation during the latest years of employment, with specific reductions made for early retirements. Non-union employees hired on or after January 1, 2018, are no longer eligible for pension benefits, but are eligible for an enhanced 401(k) plan.

### Expense

Pension expense is determined based upon the annual service cost of benefits (the actuarial cost of benefits earned during a period) and the interest cost on those liabilities, less the expected return on plan assets. The expected long-term rate of return on plan assets is applied to a calculated value of plan assets that recognizes changes in fair value over a 5-year period. This practice is intended to reduce year-to-year volatility in pension expense, but it can have the effect of delaying the recognition of differences between actual returns on assets and expected returns based on long-term rate of return assumptions. Differences in actual experience in relation to assumptions are not recognized in net income immediately but are deferred in accumulated other comprehensive income/loss and, if necessary, amortized as pension expense.

The components of our net periodic pension benefit/cost were as follows:

<i>Millions</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Service cost	\$ 12	\$ 13	\$ 39	\$ 38
Interest cost	47	48	139	140
Expected return on plan assets	(63)	(62)	(189)	(186)
Amortization of actuarial loss	4	2	8	6
Net periodic pension (benefit)/cost	\$ -	\$ 1	\$ (3)	\$ (2)

### Cash Contributions

For the nine months ended September 30, 2024, cash contributions totaled \$0 to the qualified pension plans. Any contributions made during 2024 will be based on cash generated from operations and financial market considerations. Our policy with respect to funding the qualified pension plans is to fund at least the minimum required by law and not more than the maximum amount deductible for tax purposes. At September 30, 2024, we do not have minimum cash funding requirements for 2024.

## 6. Other Income

Other income included the following:

<i>Millions</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
Real estate income [a]	\$ 70	\$ 90	\$ 192	\$ 335
Net periodic pension benefit/(costs)	12	12	42	40
Interest from IRS refund claims	-	-	24	-
Non-operating property environmental remediation and restoration	(7)	(9)	(21)	(31)
Other	12	13	45	39
Total	\$ 87	\$ 106	\$ 282	\$ 383

[a] The nine months ended September 30, 2023, includes a one-time \$107 million transaction.

## 7. Income Taxes

In the third quarter of 2023, the states of Iowa, Kansas, and Arkansas enacted legislation to reduce their corporate income tax rate for future years resulting in a \$41 million reduction of our deferred tax expense.

In the second quarter of 2024, the state of Arkansas enacted legislation to reduce its corporate income tax rate for future years resulting in an \$8 million reduction of our deferred tax expense.

In the second quarter of 2023, the state of Nebraska enacted legislation to reduce its corporate income tax rate for future years resulting in a \$73 million reduction of our deferred tax expense.

## 8. Earnings Per Share

The following table provides a reconciliation between basic and diluted earnings per share:

<i>Millions, Except Per Share Amounts</i>	<i>Three Months Ended September 30,</i>		<i>Nine Months Ended September 30,</i>	
	<b>2024</b>	2023	<b>2024</b>	2023
Net income	\$ 1,671	\$ 1,528	\$ 4,985	\$ 4,727
Weighted-average number of shares outstanding:				
Basic	607.6	608.7	608.7	609.3
Dilutive effect of stock options	0.4	0.4	0.4	0.4
Dilutive effect of retention shares and units	0.6	0.7	0.6	0.6
Diluted	608.6	609.8	609.7	610.3
Earnings per share - basic	\$ 2.75	\$ 2.51	\$ 8.19	\$ 7.76
Earnings per share - diluted	\$ 2.75	\$ 2.51	\$ 8.18	\$ 7.75
Stock options excluded as their inclusion would be anti-dilutive	0.6	1.0	0.6	0.9

## 9. Accumulated Other Comprehensive Income/Loss

Reclassifications out of accumulated other comprehensive income/loss were as follows (net of tax):

<i>Millions</i>	<i>Defined benefit plans</i>	<i>Foreign currency translation</i>	<i>Unrealized gain on derivative instruments [a]</i>	<i>Total</i>
Balance at July 1, 2024	\$ (483)	\$ (139)	\$ 16	\$ (606)
Other comprehensive income/(loss) before reclassifications	-	(86)	-	(86)
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	-	-	-	-
Net quarter-to-date other comprehensive income/(loss), net of taxes of \$1 million	-	(86)	-	(86)
Balance at September 30, 2024	\$ (483)	\$ (225)	\$ 16	\$ (692)
Balance at July 1, 2023	\$ (373)	\$ (160)	\$ 16	\$ (517)
Other comprehensive income/(loss) before reclassifications	(1)	22	-	21
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(1)	-	-	(1)
Net quarter-to-date other comprehensive income/(loss), net of taxes of (\$1) million	(2)	22	-	20
Balance at September 30, 2023	\$ (375)	\$ (138)	\$ 16	\$ (497)

[a] Related to interest rate swaps from equity method investments.

[b] The accumulated other comprehensive income/loss reclassification components are 1) prior service cost/credit and 2) net actuarial loss, which are both included in the computation of net periodic pension benefit/cost. See Note 5 Retirement Plans for additional details.

<i>Millions</i>	<i>Defined benefit plans</i>	<i>Foreign currency translation</i>	<i>Unrealized gain on derivative instruments [a]</i>	<i>Total</i>
Balance at January 1, 2024	\$ (484)	\$ (146)	\$ 16	\$ (614)
Other comprehensive income/(loss) before reclassifications	2	(79)	-	(77)
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(1)	-	-	(1)
Net year-to-date other comprehensive income/(loss), net of taxes of \$1 million	1	(79)	-	(78)
Balance at September 30, 2024	\$ (483)	\$ (225)	\$ 16	\$ (692)
Balance at January 1, 2023	\$ (378)	\$ (204)	\$ -	\$ (582)
Other comprehensive income/(loss) before reclassifications	5	66	16	87
Amounts reclassified from accumulated other comprehensive income/(loss) [b]	(2)	-	-	(2)
Net year-to-date other comprehensive income/(loss), net of taxes of (\$4) million	3	66	16	85
Balance at September 30, 2023	\$ (375)	\$ (138)	\$ 16	\$ (497)

[a] Related to interest rate swaps from equity method investments.

[b] The accumulated other comprehensive income/loss reclassification components are 1) prior service cost/credit and 2) net actuarial loss, which are both included in the computation of net periodic pension benefit/cost. See Note 5 Retirement Plans for additional details.

## 10. Accounts Receivable

Accounts receivable include freight and other receivables reduced by an allowance for doubtful accounts. At both September 30, 2024, and December 31, 2023, our accounts receivable were reduced by \$9 million. Receivables not expected to be collected in one year and the associated allowances are classified as other assets in our Condensed Consolidated Statements of Financial Position. At September 30, 2024, and December 31, 2023, receivables classified as other assets were reduced by allowances of \$81 million and \$71 million, respectively.

**Receivables Securitization Facility** – The Railroad maintains an \$800 million, 3-year receivables securitization facility (the Receivables Facility) maturing in July 2025. Under the Receivables Facility, the Railroad sells most of its eligible third-party receivables to Union Pacific Receivables, Inc. (UPRI), a consolidated, wholly-owned, bankruptcy-remote subsidiary that may subsequently transfer, without recourse, an undivided interest in accounts receivable to investors. The investors have no recourse to the Railroad's other assets except for customary warranty and indemnity claims. Creditors of the Railroad do not have recourse to the assets of UPRI.

The amount recorded under the Receivables Facility was \$0 at both September 30, 2024, and December 31, 2023. During the nine months ended September 30, 2024, we issued \$800 million and repaid \$800 million under the Receivables Facility. The Receivables Facility was supported by \$1.7 billion of accounts receivable as collateral at both September 30, 2024, and December 31, 2023, which, as a retained interest, is included in accounts receivable, net in our Condensed Consolidated Statements of Financial Position.

The outstanding amount the Railroad maintains under the Receivables Facility may fluctuate based on current cash needs. The maximum allowed under the Receivables Facility is \$800 million with availability directly impacted by eligible receivables, business volumes, and credit risks, including receivables payment quality measures such as default and dilution ratios. If default or dilution ratios increase one percent, the allowable outstanding amount under the Receivables Facility would not materially change.

The costs of the Receivables Facility include interest, which will vary based on prevailing benchmark and commercial paper rates, program fees paid to participating banks, commercial paper issuance costs, and fees of participating banks for unused commitment availability. The costs of the Receivables Facility are included in interest expense and were \$2 million and \$4 million for the three months ended September 30, 2024 and 2023, respectively, and \$7 million and \$8 million for the nine months ended September 30, 2024 and 2023, respectively.

## 11. Properties

The following tables list the major categories of property and equipment, as well as the weighted-average estimated useful life for each category (in years):

<i>Millions, Except Estimated Useful Life</i>					
<i>As of September 30, 2024</i>					
	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	<i>Estimated Useful Life</i>	
Land	\$ 5,439	N/A	\$ 5,439	N/A	
Road:					
Rail and other track material	19,180	7,569	11,611	46	
Ties	12,268	4,053	8,215	34	
Ballast	6,457	2,148	4,309	34	
Other roadway [a]	23,697	5,601	18,096	47	
Total road	61,602	19,371	42,231	N/A	
Equipment:					
Locomotives	9,561	3,750	5,811	18	
Freight cars	2,964	1,024	1,940	23	
Work equipment and other [b]	1,191	472	719	17	
Total equipment	13,716	5,246	8,470	N/A	
Technology and other	1,423	616	807	12	
Construction in progress	1,089	-	1,089	N/A	
Total	\$ 83,269	\$ 25,233	\$ 58,036	N/A	

<i>Millions, Except Estimated Useful Life</i>					
<i>As of December 31, 2023</i>					
	<i>Cost</i>	<i>Accumulated Depreciation</i>	<i>Net Book Value</i>	<i>Estimated Useful Life</i>	
Land	\$ 5,426	\$ N/A	\$ 5,426	N/A	
Road:					
Rail and other track material	18,837	7,344	11,493	42	
Ties	11,985	3,895	8,090	34	
Ballast	6,345	2,061	4,284	34	
Other roadway [a]	23,175	5,368	17,807	47	
Total road	60,342	18,668	41,674	N/A	
Equipment:					
Locomotives	9,295	3,591	5,704	18	
Freight cars	2,765	956	1,809	23	
Work equipment and other	1,344	546	798	17	
Total equipment	13,404	5,093	8,311	N/A	
Technology and other	1,388	574	814	12	
Construction in progress	1,173	-	1,173	N/A	
Total	\$ 81,733	\$ 24,335	\$ 57,398	N/A	

[a] Other roadway includes grading, bridges and tunnels, signals, buildings, and other road assets.

[b] For retirements of depreciable railroad properties that do not occur in the normal course of business, a gain or loss may be recognized if the retirement meets each of the following three conditions: (a) is unusual, (b) is material in amount, and (c) varies significantly from the retirement profile identified through our depreciation studies. In the second quarter of 2024, we sold a large portion of an intermodal equipment asset class resulting in a \$46 million gain recognized in other expense in our Condensed Consolidated Statements of Income.

**12. Accounts Payable and Other Current Liabilities**

<i>Millions</i>	<b>Sep. 30, 2024</b>	<b>Dec. 31, 2023</b>
Accounts payable	\$ 830	\$ 856
Income and other taxes payable	764	685
Compensation-related accruals	598	533
Accrued casualty costs	371	307
Current operating lease liabilities	349	355
Interest payable	237	389
Equipment rents payable	113	98
Other	452	460
<b>Total accounts payable and other current liabilities</b>	<b>\$ 3,714</b>	<b>\$ 3,683</b>

**13. Financial Instruments**

**Short-Term Investments** – All of the Company's short-term investments consist of time deposits and government agency securities. These investments are considered Level 2 investments and are valued at amortized cost, which approximates fair value. As of September 30, 2024, and December 31, 2023, the Company had \$20 million and \$16 million of short-term investments, respectively. All short-term investments have a maturity of less than one year and are classified as held-to-maturity.

**Fair Value of Financial Instruments** – The fair value of our short- and long-term debt was estimated using a market value price model, which utilizes applicable U.S. Treasury rates along with current market quotes on comparable debt securities. All of the inputs used to determine the fair market value of the Corporation's long-term debt are Level 2 inputs and obtained from an independent source. At September 30, 2024, the fair value of total debt was \$27.3 billion, approximately \$4.1 billion less than the carrying value. At December 31, 2023, the fair value of total debt was \$28.5 billion, approximately \$4.1 billion less than the carrying value. The fair value of the Corporation's debt is a measure of its current value under present market conditions. The fair value of our cash equivalents approximates their carrying value due to the short-term maturities of these instruments.

**14. Debt**

**Credit Facilities** – At September 30, 2024, we had \$2.0 billion of credit available under our revolving credit facility (the Facility), which is designated for general corporate purposes and supports the issuance of commercial paper. Credit facility withdrawals totaled \$0 during the nine months ended September 30, 2024. Commitment fees and interest rates payable under the Facility are similar to fees and rates available to comparably rated, investment-grade borrowers. The Facility allows for borrowings at floating rates based on Term Secured Overnight Financing Rate (SOFR), plus a spread, depending upon credit ratings for our senior unsecured debt. The Facility, set to expire May 20, 2027, requires UPC to maintain an adjusted debt-to-EBITDA (earnings before interest, taxes, depreciation, and amortization) coverage ratio.

The definition of debt used for purposes of calculating the adjusted debt-to-EBITDA coverage ratio includes, among other things, certain credit arrangements, finance leases, guarantees, unfunded and vested pension benefits under Title IV of the Employee Retirement Income Security Act of 1974 (ERISA), and unamortized debt discount and deferred debt issuance costs. At September 30, 2024, the Company was in compliance with the adjusted debt-to-EBITDA coverage ratio, which allows us to carry up to \$46.3 billion of debt (as defined in the Facility), and we had \$33.1 billion of debt (as defined in the Facility) outstanding at that date. The Facility does not include any other financial restrictions, credit rating triggers (other than rating-dependent pricing), or any other provision that could require us to post collateral. The Facility also includes a \$150 million cross-default provision and a change-of-control provision.

During the nine months ended September 30, 2024, we issued \$823 million and repaid \$598 million of commercial paper with maturities ranging from 13 to 57 days, and at September 30, 2024, we had \$225 million of commercial paper with a weighted average interest rate of 4.9% outstanding. Our revolving credit facility supports our outstanding commercial paper balances, and, unless we change the terms of our commercial paper program, our aggregate issuance of commercial paper will not exceed the amount of borrowings available under the Facility.

**Shelf Registration Statement and Significant New Borrowings** – We filed an automatic shelf registration statement with the SEC that became effective on February 13, 2024. The Board of Directors authorized the issuance of up to \$9.0 billion of debt securities, replacing the prior Board authorization in February 2022, which had \$5.6 billion of authority remaining. Under our shelf registration, we may issue, from time to time, any combination of debt securities, preferred stock, common stock, or warrants for debt securities or preferred stock in one or more offerings.

During the nine months ended September 30, 2024, we did not issue any debt securities under this registration statement. At September 30, 2024, we had remaining authority from the Board of Directors to issue up to \$9.0 billion of debt securities under our shelf registration.

**Receivables Securitization Facility** – As of both September 30, 2024, and December 31, 2023, we recorded \$0 of borrowings under our Receivables Facility as secured debt. (See further discussion in the "Receivables Securitization Facility" section of Note 10).

## 15. Commitments and Contingencies

**Asserted and Unasserted Claims** – Various claims and lawsuits are pending against us and certain of our subsidiaries. We cannot fully determine the effect of all asserted and unasserted claims on our consolidated results of operations, financial condition, or liquidity. We have recorded a liability where asserted and unasserted claims are considered probable and where such claims can be reasonably estimated. We currently do not expect that any known lawsuits, claims, environmental costs, commitments, contingent liabilities, or guarantees will have a material adverse effect on our consolidated results of operations, financial condition, or liquidity after taking into account liabilities and insurance recoveries previously recorded for these matters.

In December 2019, we received a putative class action complaint under the Illinois Biometric Information Privacy Act, alleging violation due to the use of a finger scan system developed and managed by third-parties. Union Pacific and the plaintiff are currently in the discovery phase. While we believe that we have strong defenses to the claims made in the complaint and will vigorously defend ourselves, there is no assurance regarding the ultimate outcome. Therefore, the outcome of this litigation is inherently uncertain, and we cannot reasonably estimate any loss or range of loss that may arise from this matter.

**Personal Injury** – The Federal Employers' Liability Act (FELA) governs compensation for work-related accidents. Under FELA, damages are assessed based on a finding of fault through litigation or out-of-court settlements. We offer a comprehensive variety of services and rehabilitation programs for employees who are injured at work.

Approximately 92% of the recorded liability is related to asserted claims and approximately 8% is related to unasserted claims at September 30, 2024. Because of the uncertainty surrounding the ultimate outcome of personal injury claims, it is reasonably possible that future costs to settle these claims may range from approximately \$393 million to \$509 million. We record an accrual at the low end of the range as no amount of loss within the range is more probable than any other. Estimates can vary over time due to evolving trends in litigation.

Our personal injury liability activity was as follows:

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 383	\$ 361
Current year accruals	87	81
Changes in estimates for prior years	(2)	55
Payments	(75)	(104)
Ending balance at September 30,	\$ 393	\$ 393
Current portion, ending balance at September 30,	\$ 114	\$ 105

**Environmental Costs** – We are subject to federal, state, and local environmental laws and regulations. We have identified 357 sites where we are or may be liable for remediation costs associated with alleged contamination or for violations of environmental requirements. This includes 31 sites that are the subject of actions taken by the U.S. government, including 19 that are currently on the Superfund National Priorities List. Certain federal legislation imposes joint and several liability for the remediation of identified sites; consequently, our ultimate environmental liability may include costs relating to activities of other parties, in addition to costs relating to our own activities at each site.

Our environmental liability activity was as follows:

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Beginning balance	\$ 245	\$ 253
Accruals	100	85
Payments	(76)	(75)
Ending balance at September 30,	\$ 269	\$ 263
Current portion, ending balance at September 30,	\$ 119	\$ 83



The environmental liability includes future costs for remediation and restoration of sites, as well as ongoing monitoring costs, but excludes any anticipated recoveries from third-parties. Cost estimates are based on information available for each site, financial viability of other potentially responsible parties, and existing technology, laws, and regulations. The ultimate liability for remediation is difficult to determine because of the number of potentially responsible parties, site-specific cost sharing arrangements with other potentially responsible parties, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs. Estimates of liability may vary over time due to changes in federal, state, and local laws governing environmental remediation. Current obligations are not expected to have a material adverse effect on our consolidated results of operations, financial condition, or liquidity.

**Indemnities** – Our maximum potential exposure under indemnification arrangements, including certain tax indemnifications, can range from a specified dollar amount to an unlimited amount, depending on the nature of the transactions and the agreements. Due to uncertainty as to whether claims will be made or how they will be resolved, we cannot reasonably determine the probability of an adverse claim or reasonably estimate any adverse liability or the total maximum exposure under these indemnification arrangements. We do not have any reason to believe that we will be required to make any material payments under these indemnity provisions.

## 16. Share Repurchase Programs

Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. As of September 30, 2024, we repurchased a total of 23.1 million shares of our common stock under the 2022 authorization. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing and amount of these transactions.

The table below represents shares repurchased under repurchase programs in the nine months ended September 30, 2024 and 2023:

	<i>Number of Shares Purchased</i>		<i>Average Price Paid</i>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
First quarter	-	2,908,703	\$ -	\$ 203.19
Second quarter	<b>492,320</b>	606,581	<b>225.96</b>	199.81
Third quarter	<b>3,006,061</b>	-	<b>245.44</b>	-
Total	<b>3,498,381</b>	3,515,284	<b>242.70</b>	\$ 202.61
Remaining number of shares that may be repurchased under current authority				76,893,646

Management's assessments of market conditions and other pertinent factors guide the timing, manner, and volume of all repurchases. We expect to fund any share repurchases under this program through cash generated from operations, the sale or lease of various operating and non-operating properties, debt issuances, and cash on hand. Open market repurchases are recorded in treasury stock at cost, which includes any applicable commissions, fees, and excise taxes.

## 17. Related Parties

UPRR and other North American railroad companies jointly own TTX Company (TTX). UPRR has a 37.03% economic interest in TTX while the other North American railroads own the remaining interest. In accordance with ASC 323 *Investments - Equity Method and Joint Venture*, UPRR applies the equity method of accounting to our investment in TTX.

TTX is a rail car pooling company that owns rail cars and intermodal wells to serve North America's railroads. TTX assists railroads in meeting the needs of their customers by providing rail cars in an efficient, pooled environment. All railroads may utilize TTX rail cars through car hire by renting rail cars at stated rates.

UPRR had \$1.9 billion and \$1.8 billion recognized as investments related to TTX in our Condensed Consolidated Statements of Financial Position as of September 30, 2024, and December 31, 2023, respectively. TTX car hire expense of \$112 million and \$101 million for the three months ended September 30, 2024 and 2023, respectively, and \$321 million and \$306 million for the nine months ended September 30, 2024 and 2023, respectively, are included in equipment and other rents in our Condensed Consolidated Statements of Income. In addition, UPRR had accounts payable to TTX of \$74 million and \$60 million at September 30, 2024, and December 31, 2023, respectively.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

### UNION PACIFIC CORPORATION AND SUBSIDIARY COMPANIES RESULTS OF OPERATIONS

#### Three and Nine Months Ended September 30, 2024, Compared to Three and Nine Months Ended September 30, 2023

For purposes of this report, unless the context otherwise requires, all references herein to "Union Pacific", "UPC", "Corporation", "Company", "we", "us", and "our" shall mean Union Pacific Corporation and its subsidiaries, including Union Pacific Railroad Company, which we separately refer to as "UPRR" or the "Railroad".

The following discussion should be read in conjunction with the Condensed Consolidated Financial Statements and applicable notes to the Condensed Consolidated Financial Statements, Item 1, and other information included in this report. Our Condensed Consolidated Financial Statements are unaudited and reflect all adjustments (consisting only of normal and recurring adjustments) that are, in the opinion of management, necessary for their fair presentation in conformity with accounting principles generally accepted in the United States of America (GAAP).

The Railroad, along with its subsidiaries and rail affiliates, is our one reportable business segment. Although revenues are analyzed by commodity, we analyze the net financial results of the Railroad as one segment due to the integrated nature of the rail network.

#### Critical Accounting Estimates

The preparation of these financial statements requires estimation and judgment that affect the reported amounts of revenues, expenses, assets, and liabilities. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. If these estimates differ materially from actual results, the impact on the Condensed Consolidated Financial Statements may be material. Our critical accounting estimates are available in Item 7 of our 2023 Annual Report on Form 10-K. During the first nine months of 2024, there have not been any significant changes with respect to our critical accounting estimates.

### RESULTS OF OPERATIONS

#### Quarterly Summary

The Company reported earnings of \$2.75 per diluted share on net income of \$1.7 billion and an operating ratio of 60.3% in the third quarter of 2024 compared to earnings of \$2.51 per diluted share on net income of \$1.5 billion and an operating ratio of 63.4% for the third quarter of 2023. Freight revenues increased 4% in the third quarter of 2024 compared to the same period in 2023 driven by 6% volume increase and core pricing gains, partially offset by negative mix (for example, a relative increase in international intermodal shipments, which have a lower average revenue per car (ARC)) and lower fuel surcharge revenues. Volume increases were primarily driven by international intermodal and grain, partially offset by weaker demand for coal and rock shipments.

During the third quarter of 2024 our network absorbed the additional volume including a surge in international intermodal business, which increased 33% compared to last year. As volume increased, crews and locomotives were strategically integrated into the network to efficiently handle the growth. As a result, most of our operating metrics improved compared to the third quarter of 2023. Both freight car velocity and locomotive productivity improved 5% compared to the third quarter of 2023. Workforce productivity improved 12% as our total train, engine, and yard (TE&Y) employees were flat year-over-year while the remainder of our workforce declined 8%. Our TE&Y training pipeline declined 6% year-over-year demonstrating a shift to additional active employees to cover increased needs associated with fewer available workdays because of sick leave benefits and work/rest agreements (labor agreements) and increased volume. Manifest/automotive service performance index, intermodal service performance index, and train length, all improved from the third quarter of 2023.

Operating expenses decreased 2% compared to the third quarter of 2023 due to productivity, lower fuel prices, and a 2023 write-off. These decreases were partially offset by inflation, volume-related costs, and higher depreciation. Operating income of \$2.4 billion increased 11%, and our operating ratio of 60.3% improved 3.1 points from the third quarter of 2023.

## Operating Revenues

<i>Millions</i>	<i>Three Months Ended September 30,</i>			<i>Nine Months Ended September 30,</i>		
	<b>2024</b>	<b>2023</b>	<b>Change</b>	<b>2024</b>	<b>2023</b>	<b>Change</b>
Freight revenues	\$ 5,768	\$ 5,545	4%	\$ 17,022	\$ 16,770	2%
Other subsidiary revenues	179	226	(21)	608	681	(11)
Accessorial revenues	122	142	(14)	427	442	(3)
Other	22	28	(21)	72	67	7
<b>Total</b>	<b>\$ 6,091</b>	<b>\$ 5,941</b>	<b>3%</b>	<b>\$ 18,129</b>	<b>\$ 17,960</b>	<b>1%</b>

We generate freight revenues by transporting products from our three commodity groups. Freight revenues vary with volume (carloads) and ARC. Changes in price, traffic mix, and fuel surcharges drive ARC. Customer incentives, which are primarily provided for shipping to/from specific locations or based on cumulative volumes, are recorded as a reduction to operating revenues. Customer incentives that include variable consideration based on cumulative volumes are estimated using the expected value method, which is based on available historical, current, and forecasted volumes, and recognized as the related performance obligation is satisfied. We recognize freight revenues over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred.

Other subsidiary revenues (primarily logistics and commuter rail operations) are generally recognized over time as shipments move from origin to destination. The allocation of revenues between reporting periods is based on the relative transit time in each reporting period with expenses recognized as incurred. Accessorial revenues are recognized at a point in time as performance obligations are satisfied.

Freight revenues increased 4% in the third quarter of 2024 compared to the same period in 2023 driven by a 6% volume increase and core pricing gains, partially offset by negative mix (for example, a relative increase in international intermodal shipments, which have a lower ARC) and lower fuel surcharge revenues. Volume increases were primarily driven by international intermodal and grain, partially offset by weaker demand for coal and rock shipments.

Each of our commodity groups includes revenues from fuel surcharges. Freight revenues from fuel surcharge programs decreased \$2 million to \$635 million in the third quarter of 2024 compared to \$637 million in the same period of 2023 due to lower fuel prices, partially offset by the lag impact on fuel prices (it can generally take up to two months for changing fuel prices to affect fuel surcharge recoveries), and higher volume.

Other subsidiary revenues decreased in the third quarter and nine-month periods of 2024 compared to 2023 primarily driven by a weaker demand for intermodal shipments at our subsidiary that brokers intermodal and transload logistics services and the partial transfer of our commuter operations to Metra. Accessorial revenues decreased in the third quarter and nine-month periods of 2024 compared to 2023 driven by lower intermodal accessorial revenues as a result of our intermodal equipment sale. In addition, the year-to-date period was positively impacted by a one-time contract settlement in the first quarter of 2024.

The following tables summarize the year-over-year changes in freight revenues, revenue carloads, and ARC by commodity type:

<b>Freight Revenues</b> Millions	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Grain & grain products	\$ 923	\$ 825	12%	\$ 2,767	\$ 2,658	4%
Fertilizer	208	194	7	612	563	9
Food & refrigerated	269	259	4	832	777	7
Coal & renewables	405	488	(17)	1,132	1,422	(20)
<b>Bulk</b>	<b>1,805</b>	<b>1,766</b>	<b>2</b>	<b>5,343</b>	<b>5,420</b>	<b>(1)</b>
Industrial chemicals & plastics	598	557	7	1,763	1,638	8
Metals & minerals	529	556	(5)	1,574	1,654	(5)
Forest products	322	333	(3)	1,002	1,012	(1)
Energy & specialized markets	672	611	10	2,009	1,856	8
<b>Industrial</b>	<b>2,121</b>	<b>2,057</b>	<b>3</b>	<b>6,348</b>	<b>6,160</b>	<b>3</b>
Automotive	601	609	(1)	1,871	1,821	3
Intermodal	1,241	1,113	12	3,460	3,369	3
Premium	1,842	1,722	7	5,331	5,190	3
<b>Total</b>	<b>\$ 5,768</b>	<b>\$ 5,545</b>	<b>4%</b>	<b>\$ 17,022</b>	<b>\$ 16,770</b>	<b>2%</b>

<b>Revenue Carloads</b> Thousands	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Grain & grain products	206	183	13%	616	582	6%
Fertilizer	53	51	4	162	144	13
Food & refrigerated	45	45	-	137	133	3
Coal & renewables	192	231	(17)	527	650	(19)
<b>Bulk</b>	<b>496</b>	<b>510</b>	<b>(3)</b>	<b>1,442</b>	<b>1,509</b>	<b>(4)</b>
Industrial chemicals & plastics	169	163	4	502	484	4
Metals & minerals	186	206	(10)	540	604	(11)
Forest products	53	54	(2)	161	161	-
Energy & specialized markets	152	146	4	453	429	6
<b>Industrial</b>	<b>560</b>	<b>569</b>	<b>(2)</b>	<b>1,656</b>	<b>1,678</b>	<b>(1)</b>
Automotive	202	210	(4)	627	623	1
Intermodal [a]	909	763	19	2,446	2,246	9
Premium	1,111	973	14	3,073	2,869	7
<b>Total</b>	<b>2,167</b>	<b>2,052</b>	<b>6%</b>	<b>6,171</b>	<b>6,056</b>	<b>2%</b>

<b>Average Revenue per Car</b>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Grain & grain products	\$ 4,498	\$ 4,486	-%	\$ 4,495	\$ 4,563	(1)%
Fertilizer	3,872	3,818	1	3,775	3,921	(4)
Food & refrigerated	6,099	5,847	4	6,090	5,850	4
Coal & renewables	2,101	2,114	(1)	2,147	2,187	(2)
<b>Bulk</b>	<b>3,641</b>	<b>3,465</b>	<b>5</b>	<b>3,706</b>	<b>3,592</b>	<b>3</b>
Industrial chemicals & plastics	3,534	3,406	4	3,509	3,381	4
Metals & minerals	2,847	2,688	6	2,918	2,736	7
Forest products	6,157	6,197	(1)	6,235	6,305	(1)
Energy & specialized markets	4,415	4,201	5	4,431	4,331	2
<b>Industrial</b>	<b>3,791</b>	<b>3,612</b>	<b>5</b>	<b>3,833</b>	<b>3,671</b>	<b>4</b>
Automotive	2,968	2,894	3	2,983	2,921	2
Intermodal [a]	1,365	1,459	(6)	1,414	1,500	(6)
Premium	1,657	1,769	(6)	1,735	1,809	(4)
<b>Average</b>	<b>\$ 2,662</b>	<b>\$ 2,702</b>	<b>(1)%</b>	<b>\$ 2,758</b>	<b>\$ 2,769</b>	<b>-%</b>

[a] For intermodal shipments each container or trailer equals one carload.

**Bulk** – Bulk includes shipments of grain and grain products, fertilizer, food and refrigerated, and coal and renewables. Freight revenues from bulk shipments increased in the third quarter of 2024 compared to 2023 due to a positive mix of traffic from decreased coal shipments and core pricing gains, partially offset by a decline in volume. Volume declines were driven by reduced use of coal in electricity generation because of low natural gas prices, partially offset by strength in export grain and several other grain commodities. Year-to-date, freight revenues decreased compared to the same period in 2023 due to decreased volume and lower fuel surcharge revenues, partially offset by a positive mix of traffic and core pricing gains. Year-to-date, coal volumes were negatively impacted by mild winter weather in addition to reduced coal usage, partially offset by first quarter 2023 outages and service challenges due to repeated snow events in Wyoming that negatively impacted coal volumes. Additionally, the volume declines in the year-to-date period were partially offset by increased fertilizer shipments in the second quarter of 2024 due to strong demand and a 2023 customer outage.

**Industrial** – Industrial includes shipments of industrial chemicals and plastics, metals and minerals, forest products, and energy and specialized markets. Freight revenues from industrial shipments increased in the third quarter and nine-month periods of 2024 compared to 2023 due to core pricing gains and positive mix of traffic from decreased short haul rock shipments and higher soda ash shipments, partially offset by volume declines and lower fuel surcharge revenues. Volume decreases in both periods of 2024 compared to 2023 were driven by lower demand for rock, due to weather, high inventories, and softness in Southern markets, partially offset by strength in petroleum, plastics, and industrial chemicals.

**Premium** – Premium includes shipments of finished automobiles, automotive parts, and merchandise in intermodal containers, both domestic and international. Premium freight revenues increased in the third quarter and nine-month periods of 2024 compared to 2023 due to increased volume and core pricing gains, partially offset by lower fuel surcharge revenues and negative mix. In the third quarter of 2024, international intermodal experienced heavy demand due to increased U.S. West Coast imports, a result of freight shifted from the East Coast and Canadian ports due to uncertainty related to labor negotiations, driving volume up 33% compared to the third quarter 2023. In addition, business development efforts in domestic intermodal drove volume growth in both periods of 2024 compared to 2023. Finished automotive shipments increased in the year-to-date period of 2024 compared to 2023 driven by business development wins, partially offset by unplanned production decreases.

**Mexico Business** – Each of our commodity groups includes revenues from shipments to and from Mexico. Revenues from Mexico business increased 7% to \$724 million in the third quarter of 2024 compared to 2023 driven by a 2% volume increase and a 5% increase in ARC. Year-to-date, revenues from Mexico business increased 9% compared to the same period in 2023 driven by a 4% volume increase and a 5% increase in ARC. Volume increases in both periods were driven by higher grain, partially offset by lower automotive parts shipments. In addition, increased finished automotive shipments contributed to the year-to-date volume growth.

## Operating Expenses

Millions	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Compensation and benefits	\$ 1,228	\$ 1,201	2%	\$ 3,638	\$ 3,649	-%
Purchased services and materials	644	668	(4)	1,901	1,971	(4)
Fuel	610	702	(13)	1,893	2,132	(11)
Depreciation	602	580	4	1,792	1,729	4
Equipment and other rents	237	235	1	672	718	(6)
Other	354	378	(6)	1,045	1,086	(4)
<b>Total</b>	<b>\$ 3,675</b>	<b>\$ 3,764</b>	<b>(2)%</b>	<b>\$ 10,941</b>	<b>\$ 11,285</b>	<b>(3)%</b>

Operating expenses decreased in the third quarter and nine-month periods of 2024 compared to 2023 driven by productivity, lower fuel prices, and a 2023 write-off. These decreases were partially offset by inflation, volume-related costs, and higher depreciation. Additionally, year-to-date, the 2023 labor agreement ratification charge, a gain on the sale of intermodal equipment in 2024, and lower weather-related costs from less impactful winter weather in the first quarter of 2024 compared to 2023, positively impacted the year-over-year comparison.

**Compensation and Benefits** – Compensation and benefits include wages, payroll taxes, health and welfare costs, pension costs, and incentive costs. For the third quarter of 2024, expense increased 2% compared to 2023 due to wage inflation, partially offset by lower employee levels. Year-to-date expense was flat as the 2023 labor agreement ratification charge and lower employee levels in 2024 offset wage inflation and increased crew needs associated with labor agreements and volume.

**Fuel** – Fuel includes locomotive fuel and gasoline for highway and non-highway vehicles and heavy equipment. Fuel expense decreased in the third quarter of 2024 compared to the same period in 2023 driven by a decrease in locomotive diesel fuel prices, partially offset by an increase in gross ton-miles and a 1% increase in the fuel consumption rate (computed as gallons of fuel consumed divided by gross ton-miles in thousands). Locomotive diesel fuel prices averaged \$2.60 and \$3.12 per gallon (including taxes and transportation costs) in the third quarter of 2024 and 2023, respectively. Year-to-date, fuel expense decreased driven by lower locomotive diesel fuel prices, which averaged \$2.71 compared to \$3.07 per gallon in the same period of 2023, and a slight improvement in the fuel consumption rate, partially offset by increased gross ton-miles.

**Purchased Services and Materials** – Expense for purchased services and materials includes the costs of services purchased from outside contractors and other service providers (including equipment maintenance and contract expense incurred by our subsidiaries for external transportation services); materials used to maintain the Railroad's lines, structures, and equipment; costs of operating facilities jointly used by UPRR and other railroads; transportation and lodging for train crew employees; trucking and contracting costs for intermodal containers; leased automobile maintenance expense; and tools and supplies. Purchased services and materials decreased 4% in both periods of 2024 compared to 2023, primarily due to declines in our active locomotive fleet as productivity improved in both periods and decreased volume-related drayage cost incurred at one of our subsidiaries, partially offset by inflation and volume-related costs. In addition, the year-to-date period was positively impacted by a contract settlement.

**Depreciation** – The majority of depreciation relates to road property, including rail, ties, ballast, and other track material. Depreciation expense was up 4% for both periods of 2024 compared to 2023, driven by a higher depreciable asset base.

**Equipment and Other Rents** – Equipment and other rents expense primarily includes rental expense that the Railroad pays for freight cars owned by other railroads or private companies; freight car, intermodal, and locomotive leases; and office and other rent expense, offset by equity income from certain equity method investments. Equipment and other rents expense increased 1% in the third quarter of 2024 compared to 2023, driven by inflation and increased demand in commodities utilizing freight cars owned by others, partially offset by lower lease expense. Year-to-date expense decreased 6% compared to the same period of 2023, driven by lower lease expense and improved cycle times, partially offset by increased demand in commodities utilizing freight cars owned by others and inflation.

**Other** – Other expense includes state and local taxes; freight, equipment, and property damage; utilities; insurance; personal injury; environmental remediation; employee travel; telephone and cellular; computer software; bad debt; and other general expenses. Other expense decreased 6% and 4% in the third quarter and nine-month period of 2024 compared to 2023, respectively, driven by lower personal injury costs and a 2023 write-off, partially offset by higher freight loss and damage, and other casualty costs. Additionally, year-to-date expense was lower due to a gain on the sale of intermodal equipment in the second quarter of 2024.

#### Non-Operating Items

Millions	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Other income, net	\$ 87	\$ 106	(18)%	\$ 282	\$ 383	(26)%
Interest expense	(314)	(334)	(6)	(957)	(1,009)	(5)
Income tax expense	(518)	(421)	23	(1,528)	(1,322)	16

**Other Income, net** – Other income decreased in the third quarter of 2024 compared to 2023 driven by lower real estate income. Year-to-date, other income decreased due to a one-time \$107 million real estate transaction in 2023, partially offset by interest received in 2024 from the IRS on refund claims.

**Interest Expense** – Interest expense decreased in the third quarter and year-to-date periods of 2024 compared to 2023 due to a decreased weighted-average debt level. The weighted-average debt levels were \$31.4 billion and \$31.8 billion in the third quarter and year-to-date periods of 2024, respectively, compared to \$33.0 billion and \$33.3 billion in the same periods of 2023, respectively. The effective interest rate was 4.0% in both periods of 2024 compared to 4.1% and 4.0% in the third quarter and nine-month period of 2023, respectively.

**Income Tax Expense** – Income tax expense increased in the third quarter and year-to-date periods of 2024 compared to 2023 driven by higher pre-tax income and lower deferred tax adjustments. In the third quarter of 2023, the states of Iowa, Kansas, and Arkansas enacted legislation to reduce their corporate income tax rate for future years resulting in a \$41 million reduction of our deferred tax expense. Additionally, in the year-to-date period of 2023, the state of Nebraska enacted legislation to reduce its corporate income tax rate for future years resulting in a reduction of our deferred tax expense of \$73 million. Our effective tax rates for year-to-date 2024 and 2023 were 23.5% and 21.9%, respectively.

## OTHER OPERATING/PERFORMANCE AND FINANCIAL STATISTICS

We report a number of key performance measures weekly to the Surface Transportation Board (STB). We provide these on our website at <https://investor.unionpacific.com/key-performance-metrics>.

### Operating/Performance Statistics

Management continuously monitors these key operating metrics to evaluate our operational efficiency in striving to deliver the service product we sold to our customers.

Railroad performance measures are included in the table below:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2024	2023	Change	2024	2023	Change
Gross ton-miles (GTMs) (billions)	216.0	208.7	4%	628.8	622.9	1%
Revenue ton-miles (billions)	104.0	103.0	1	305.3	308.4	(1)
Freight car velocity (daily miles per car) [a]	210	200	5	205	199	3
Average train speed (miles per hour) [a]	23.3	23.6	(1)	23.5	23.9	(2)
Average terminal dwell time (hours) [a]	22.4	23.5	(5)	22.8	23.6	(3)
Locomotive productivity (GTMs per horsepower day)	135	129	5	135	126	7
Train length (feet)	9,580	9,537	-	9,472	9,337	1
Intermodal service performance index (%)	86	85	1pts	90	85	5pts
Manifest/Automotive service performance index (%)	89	84	5pts	87	83	4pts
Workforce productivity (car miles per employee)	1,102	985	12	1,044	984	6
Total employees (average)	29,946	31,624	(5)	30,518	31,800	(4)
Operating ratio (%)	60.3	63.4	(3.1)pts	60.4	62.8	(2.4)pts

[a] As reported to the STB.

**Gross and Revenue Ton-Miles** – Gross ton-miles are calculated by multiplying the weight of loaded and empty freight cars by the number of miles hauled. Revenue ton-miles are calculated by multiplying the weight of freight by the number of tariff miles. Gross ton-miles and revenue ton-miles increased 4% and 1%, respectively, in the third quarter of 2024 compared to 2023, while carloadings increased 6% in the third quarter of 2024 compared to 2023. For the year-to-date periods, gross ton-miles increased 1% and revenue ton-miles decreased 1%, while carloadings were up 2% year-over-year. Changes in commodity mix drove the year-over-year variances between gross ton-miles, revenue ton-miles, and carloads due to lower coal shipments, which are generally heavier, and increased international intermodal shipments that are generally lighter.

**Freight Car Velocity** – Freight car velocity measures the average daily miles per car on our network. The two key drivers of this metric are the speed of the train between terminals (average train speed) and the time a rail car spends at the terminals (average terminal dwell time). Freight car velocity increased 5% and 3% in the third quarter and nine-month periods of 2024 compared to 2023, respectively, driven by improvements in terminal dwell.

**Locomotive Productivity** – Locomotive productivity is gross ton-miles per average daily locomotive horsepower available. Locomotive productivity increased 5% and 7% in the third quarter and nine-month periods of 2024, respectively, compared to 2023 driven by improved network fluidity and asset utilization. Throughout the year, we maintained a buffer to flex the fleet size as we experienced and subsequently recovered from certain weather events and reacted to varying volume levels.

**Train Length** – Train length is the average maximum train length on a route measured in feet. Our train length increased slightly and 1% in the third quarter and nine-month periods of 2024 compared to 2023, respectively, due to train length improvement initiatives and increases in international intermodal shipments, which generally move on longer trains, partially offset by declines in coal train length.

**Service Performance Index (SPI)** – SPI is a ratio of the service customers are currently receiving relative to the best monthly performance over the last three years. Measuring our performance relative to a historical benchmark demonstrates our focus on continuously improving service for our customers, and we believe it is a better indicator of service performance than the previously disclosed trip plan compliance. SPI does not replace the service commitments we have contractually agreed to with a small number of customers. Our SPI is calculated for intermodal and manifest/automotive products. Intermodal SPI improved 1 and 5 points in the third quarter and nine-month periods of 2024 compared to 2023, respectively, at the same time as international volume surged. Manifest/automotive SPI improved 5 and 4 points in the third quarter and nine-month periods of 2024 compared to 2023, respectively. The year-to-date period improved in 2024 compared to 2023 despite the impact of 2024 weather events.

**Workforce Productivity** – Workforce productivity is average daily car miles per employee. Workforce productivity improved 12% and 6% in the third quarter and nine-month periods of 2024, respectively, as average daily car miles increased 6% and 2% and employees decreased 5% and 4%, respectively, compared to 2023. In the third quarter and year-to-date periods, our active TE&Y workforce increased to support carload demand and increased crew needs associated with labor agreements that went into effect in third quarter of 2023. In addition, we are maintaining an adequate training pipeline to provide a capacity buffer to enable responsiveness in an ever-changing demand and operating environment.

**Operating Ratio** – Operating ratio is our operating expenses reflected as a percentage of operating revenues. Our operating ratio of 60.3% improved 3.1 points in the third quarter of 2024 compared to 2023 and our year-to-date operating ratio of 60.4% improved 2.4 points compared to 2023 driven by productivity initiatives, core pricing gains, and the year-over-year impact from lower fuel prices, partially offset by inflation and other costs. In addition, the year-to-date period was positively impacted by 2024 contract settlements, a 2024 gain on the sale of intermodal equipment, and the 2023 labor agreement ratification charge.

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#### **Debt / Net Income**

<i>Millions, Except Ratios for the Trailing Twelve Months Ended [a]</i>	<b>Sep. 30, 2024</b>	<b>Dec. 31, 2023</b>
Debt	\$ 31,413	\$ 32,579
Net income	6,637	6,379
Debt / net income	4.7	5.1

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#### **Adjusted Debt / Adjusted EBITDA**

<i>Millions, Except Ratios for the Trailing Twelve Months Ended [a]</i>	<b>Sep. 30, 2024</b>	<b>Dec. 31, 2023</b>
Net income	\$ 6,637	\$ 6,379
Add:		
Income tax expense	2,060	1,854
Depreciation	2,381	2,318
Interest expense	1,288	1,340
EBITDA	\$ 12,366	\$ 11,891
Adjustments:		
Other income, net	(390)	(491)
Interest on operating lease liabilities [b]	47	58
Adjusted EBITDA	\$ 12,023	\$ 11,458
Debt	\$ 31,413	\$ 32,579
Operating lease liabilities	1,283	1,600
Adjusted debt	\$ 32,696	\$ 34,179
Adjusted debt / adjusted EBITDA	2.7	3.0

[a] The trailing twelve months income statement information ended September 30, 2024, is recalculated by taking the twelve months ended December 31, 2023, subtracting the nine months ended September 30, 2023, and adding the nine months ended September 30, 2024.

[b] Represents the hypothetical interest expense we would incur (using the incremental borrowing rate) if the property under our operating leases were owned or accounted for as finance leases.



Adjusted debt (total debt plus operating lease liabilities plus after-tax unfunded pension and OPEB (other post-retirement benefit) obligations) to adjusted EBITDA (earnings before interest, taxes, depreciation, amortization, and adjustments for other income and interest on present value of operating leases) is considered a non-GAAP financial measure by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe this measure is important to management and investors in evaluating the Company's ability to sustain given debt levels (including leases) with the cash generated from operations. In addition, a comparable measure is used by rating agencies when reviewing the Company's credit rating. Adjusted debt to adjusted EBITDA should be considered in addition to, rather than as a substitute for, other information provided in accordance with GAAP. The most comparable GAAP measure is debt to net income ratio. The tables above provide reconciliations from net income to adjusted EBITDA, debt to adjusted debt, and debt to net income to adjusted debt to adjusted EBITDA. At September 30, 2024, and December 31, 2023, the incremental borrowing rate on operating leases was 3.7% and 3.6%, respectively. Pension and OPEB were funded at September 30, 2024, and December 31, 2023.

## LIQUIDITY AND CAPITAL RESOURCES

### Financial Condition

#### Cash Flows

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	\$ 6,684	\$ 5,984
Cash used in investing activities	(2,426)	(2,650)
Cash used in financing activities	(4,375)	(3,540)
Net change in cash, cash equivalents, and restricted cash	\$ (117)	\$ (206)

#### Operating Activities

Cash provided by operating activities increased in the first nine months of 2024 compared to the same period of 2023 due primarily to 2023 payments of \$449 million for agreements reached with our labor unions and higher net income.

#### Investing Activities

Cash used in investing activities decreased in the first nine months of 2024 compared to the same period of 2023 driven by higher proceeds from asset sales, including a sale of intermodal equipment.

The table below details cash capital investments:

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Rail and other track material	\$ 373	\$ 448
Ties	369	367
Ballast	145	152
Other [a]	480	509
Total road infrastructure replacements	1,367	1,476
Line expansion and other capacity projects	137	141
Commercial facilities	196	255
Total capacity and commercial facilities	333	396
Locomotives and freight cars [b]	643	483
Technology and other	187	227
Total cash capital investments [c]	\$ 2,530	\$ 2,582

[a] Other includes bridges and tunnels, signals, other road assets, and road work equipment.

[b] Locomotives and freight cars include early lease buyouts of \$96 million in 2024 and \$14 million in 2023.

[c] Weather-related damages for the nine months ended September 30, 2024 and 2023, are immaterial.

## Capital Plan

In 2024, we expect our capital plan to be approximately \$3.4 billion, down 8% from 2023. Roughly half of the year-over-year decrease is attributable to the 2023 purchase of a small trucking and transload operator and related real estate assets. We plan to continue to make investments to support our growth strategy, harden our infrastructure, replace older assets, and improve the safety and resiliency of the network. In addition, the plan includes investments in growth-related projects to drive more carloads to the network, certain ramps to efficiently handle volumes from intermodal customers, continued modernization of our locomotive fleet, and projects intended to improve operational efficiency. The capital plan may be revised if business conditions warrant or if laws or regulations affect our ability to generate sufficient returns on these investments.

## Financing Activities

Cash used in financing activities increased in the first nine months of 2024 compared to the same period of 2023 driven by a decrease in debt issued and an increase in share repurchases.

See Note 14 of the Condensed Consolidated Financial Statements for a description of all our outstanding financing arrangements and significant new borrowings and Note 16 of the Condensed Consolidated Financial Statements for a description of our share repurchase programs.

**Free Cash Flow** – Free cash flow is defined as cash provided by operating activities less cash used in investing activities and dividends paid. Cash flow conversion rate is defined as cash provided by operating activities less cash used for capital investments as a ratio of net income.

Free cash flow and cash flow conversion rate are not considered financial measures under GAAP by SEC Regulation G and Item 10 of SEC Regulation S-K and may not be defined and calculated by other companies in the same manner. We believe free cash flow and cash flow conversion rate are important to management and investors in evaluating our financial performance and measures our ability to generate cash without external financing. Free cash flow and cash flow conversion rate should be considered in addition to, rather than as a substitute for, cash provided by operating activities.

The following table reconciles cash provided by operating activities (GAAP measure) to free cash flow (non-GAAP measure):

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	\$ 6,684	\$ 5,984
Cash used in investing activities	(2,426)	(2,650)
Dividends paid	(2,403)	(2,380)
Free cash flow	\$ 1,855	\$ 954

The following table reconciles cash provided by operating activities (GAAP measure) to cash flow conversion rate (non-GAAP measure):

<i>Millions, for the Nine Months Ended September 30,</i>	<b>2024</b>	<b>2023</b>
Cash provided by operating activities	\$ 6,684	\$ 5,984
Cash used in capital investments	(2,530)	(2,582)
Total (a)	\$ 4,154	\$ 3,402
Net income (b)	\$ 4,985	\$ 4,727
Cash flow conversion rate (a/b)	83%	72%

## Current Liquidity Status

We are continually evaluating our financial condition and liquidity. We analyze a wide range of economic scenarios and the impact on our ability to generate cash. These analyses inform our liquidity plans and activities outlined below and indicate we have sufficient borrowing capacity to sustain an extended period of lower volumes.

During the third quarter of 2024, we generated \$2.7 billion of cash provided by operating activities, repurchased \$738 million worth of shares under our share repurchase programs, and paid our quarterly dividend. On September 30, 2024, we had \$947 million of cash and cash equivalents, \$2.0 billion of credit available under our revolving credit facility, and \$800 million undrawn on the Receivables Facility. We have been, and we expect to continue to be, in compliance with our debt covenants.

As described in the notes to the Condensed Consolidated Financial Statements and as referenced in the table below, we have contractual obligations that may affect our financial condition. Based on our assessment of the underlying provisions and circumstances of our contractual obligations, other than the risks that we and other similarly situated companies face with respect to the condition of the capital markets, as of the date of this filing, there is no known trend, demand, commitment, event, or uncertainty that is reasonably likely to occur that would have a material adverse effect on our consolidated results of operations, financial condition, or liquidity. In addition, our commercial obligations, financings, and commitments are customary transactions that are like those of other comparable corporations, particularly within the transportation industry.

The following table identifies material obligations as of September 30, 2024:

<b>Contractual Obligations</b> Millions	Total	Oct. 1 through Dec. 31, 2024	Payments Due by Dec. 31,					After 2028
			2025	2026	2027	2028		
Debt [a]	\$ 58,298	\$ 392	\$ 2,591	\$ 2,617	\$ 2,348	\$ 2,294	\$ 48,056	
Purchase obligations [b]	2,082	168	786	618	235	163	112	
Operating leases [c]	1,416	51	350	279	225	198	313	
Other post-retirement benefits [d]	382	33	40	40	39	39	191	
Finance lease obligations [e]	125	7	42	35	30	11	-	
<b>Total contractual obligations</b>	<b>\$ 62,303</b>	<b>\$ 651</b>	<b>\$ 3,809</b>	<b>\$ 3,589</b>	<b>\$ 2,877</b>	<b>\$ 2,705</b>	<b>\$ 48,672</b>	

[a] Excludes finance lease obligations of \$116 million as well as unamortized discount and deferred issuance costs of (\$1,703) million. Includes an interest component of \$25,298 million.

[b] Purchase obligations include locomotive maintenance contracts; purchase commitments for ties, ballast, and rail; and agreements to purchase other goods and services.

[c] Includes leases for locomotives, freight cars, other equipment, and real estate. Includes an interest component of \$133 million.

[d] Includes estimated other post-retirement, medical, and life insurance payments and payments made under the unfunded pension plan for the next ten years.

[e] Represents total obligations, including interest component of \$9 million.

## OTHER MATTERS

**Asserted and Unasserted Claims** – See Note 15 to the Condensed Consolidated Financial Statements.

**Indemnities** – See Note 15 to the Condensed Consolidated Financial Statements.

## CAUTIONARY INFORMATION

Certain statements in this report, and statements in other reports or information filed or to be filed with the SEC (as well as information included in oral statements or other written statements made or to be made by us), are, or will be, forward-looking statements as defined by the Securities Act of 1933 and the Securities Exchange Act of 1934. These forward-looking statements and information include, without limitation, statements and information set forth under the captions “Liquidity and Capital Resources” regarding our capital plan, share repurchase programs, contractual obligations, and “Other Matters” in this Item 2 of Part I. Forward-looking statements and information also include any other statements or information in this report (including information incorporated herein by reference) regarding: potential impacts of public health crises, including pandemics, epidemics, and the outbreak of other contagious disease, such as the coronavirus and its variant strains (COVID); the Russia-Ukraine and Israel-Hamas wars and other geopolitical tensions in the middle east, and any impacts on our business operations, financial results, liquidity, and financial position, and on the world economy (including customers, employees, and supply chains), including as a result of fluctuations in volume and carloadings; closing of customer manufacturing, distribution or production facilities; expectations as to operational or service improvements; expectations as to hiring challenges; availability of employees; expectations regarding the effectiveness of steps taken or to be taken to improve operations, service, infrastructure improvements, and transportation plan modifications (including those discussed in response to increased traffic); expectations as to cost savings, revenue growth, and earnings; the time by which goals, targets, or objectives will be achieved; projections, predictions, expectations, estimates, or forecasts as to our business, financial, and operational results, future economic performance, and general economic conditions; proposed new products and services; estimates of costs relating to environmental remediation and restoration; estimates and expectations regarding tax matters; expectations that claims, litigation, environmental costs, commitments, contingent liabilities, labor negotiations or agreements, cyber-attacks or other matters will not have a material adverse effect on our consolidated results of operations, financial condition, or liquidity and any other similar expressions concerning matters that are not historical facts. Forward-looking statements may be identified by their use of forward-looking terminology, such as “believes,” “expects,” “may,” “should,” “would,” “will,” “intends,” “plans,” “estimates,” “anticipates,” “projects” and similar words, phrases, or expressions.

Forward-looking statements should not be read as a guarantee of future performance, results, or outcomes, and will not necessarily be accurate indications of the times that, or by which, such performance, results, or outcomes will be achieved, if ever. Forward-looking statements and information are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the statements and information. Forward-looking statements and information reflect the good faith consideration by management of currently available information, and may be based on underlying assumptions believed to be reasonable under the circumstances. However, such information and assumptions (and, therefore, such forward-looking statements and information) are or may be subject to variables or unknown or unforeseeable events or circumstances over which management has little or no influence or control, and many of these risks and uncertainties are currently amplified by and may continue to be amplified by, or in the future may be amplified by, among other things, macroeconomic and geopolitical conditions.

The Risk Factors in Item 1A of our 2023 Annual Report on Form 10-K, filed February 9, 2024, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in any forward-looking statements or information. To the extent circumstances require or we deem it otherwise necessary, we will update or amend these risk factors in a Form 10-Q, Form 8-K, or subsequent Form 10-K. All forward-looking statements are qualified by, and should be read in conjunction with, these Risk Factors.

Forward-looking statements speak only as of the date the statement was made. We assume no obligation to update forward looking information to reflect actual results, changes in assumptions, or changes in other factors affecting forward-looking information. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect thereto or with respect to other forward-looking statements.

## **AVAILABLE INFORMATION**

Our Internet website is [www.up.com](http://www.up.com). We make available free of charge on our website (under the “Investors” caption link) our Annual Reports on Form 10-K; our Quarterly Reports on Form 10-Q; our current reports on Form 8-K; our proxy statements; Forms 3, 4, and 5, filed on behalf of directors and executive officers; and amendments to such reports filed or furnished pursuant to the Securities Exchange Act of 1934, as amended (the Exchange Act). We provide these reports and statements as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. We also make available on our website previously filed SEC reports and exhibits via a link to EDGAR on the SEC’s Internet site at [www.sec.gov](http://www.sec.gov). We provide these previously filed reports as a convenience and their contents reflect only information that was true and correct as of the date of the report. We assume no obligation to update this historical information. Additionally, our corporate governance materials, including By-Laws, Board Committee charters, governance guidelines and policies, and codes of conduct and ethics for directors, officers, and employees are available on our website. From time to time, the corporate governance materials on our website may be updated as necessary to comply with rules issued by the SEC and the New York Stock Exchange or as desirable to promote the effective and efficient governance of our Company. Any security holder wishing to receive, without charge, a copy of any of our SEC filings or corporate governance materials should send a written request to: Secretary, Union Pacific Corporation, 1400 Douglas Street, Omaha, NE 68179.

References to our website address in this report, including references in Management’s Discussion and Analysis of Financial Condition and Results of Operations, Item 2, are provided as a convenience and do not constitute, and should not be deemed, an incorporation by reference of the information contained on, or available through, the website. Therefore, such information should not be considered part of this report.

## **Item 3. Quantitative and Qualitative Disclosures About Market Risk**

There were no material changes to the Quantitative and Qualitative Disclosures About Market Risk previously disclosed in our 2023 Annual Report on Form 10-K.

#### **Item 4. Controls and Procedures**

As of the end of the period covered by this report, the Corporation carried out an evaluation, under the supervision and with the participation of the Corporation's management, including the Corporation's Chief Executive Officer (CEO) and Executive Vice President and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Corporation's disclosure controls and procedures pursuant to Exchange Act Rules 13a-15 and 15d-15. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based upon that evaluation, the CEO and the CFO concluded that, as of the end of the period covered by this report, the Corporation's disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified by the SEC, and that such information is accumulated and communicated to management, including the CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

Additionally, the CEO and CFO determined that there were no changes to the Corporation's internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the last fiscal quarter that materially affected, or are reasonably likely to materially affect, the Corporation's internal control over financial reporting.

### **PART II. OTHER INFORMATION**

#### **Item 1. Legal Proceedings**

From time to time, we are involved in legal proceedings, claims, and litigation that occur in connection with our business. We routinely assess our liabilities and contingencies in connection with these matters based upon the latest available information and, when necessary, we seek input from our third-party advisors when making these assessments. Consistent with SEC rules and requirements, we describe below material pending legal proceedings (other than ordinary routine litigation incidental to our business), material proceedings known to be contemplated by governmental authorities, other proceedings arising under federal, state, or local environmental laws and regulations (including governmental proceedings involving potential fines, penalties, or other monetary sanctions in excess of \$1,000,000), and such other pending matters that we may determine to be appropriate.

#### **Environmental Matters**

We receive notices from the U.S. Environmental Protection Agency (EPA) and state environmental agencies alleging that we are or may be liable under federal or state environmental laws for remediation costs at various sites throughout the U.S., including sites on the Superfund National Priorities List or state superfund lists. We cannot predict the ultimate impact of these proceedings and suits because of the number of potentially responsible parties involved, the degree of contamination by various wastes, the scarcity and quality of volumetric data related to many of the sites, and the speculative nature of remediation costs.

Information concerning environmental claims and contingencies and estimated remediation costs is set forth in Management's Discussion and Analysis of Financial Condition and Results of Operations - Critical Accounting Estimates - Environmental, Item 7, and Note 17 of the Financial Statements and Supplementary Data, Item 8, of our 2023 Annual Report on Form 10-K.

#### **Item 1A. Risk Factors**

For a discussion of our potential risks and uncertainties, see the risk factors disclosed in our Form 10-K for the year ended December 31, 2023. These risks could materially and adversely affect our business, financial condition, results of operations (including revenues and profitability), and/or stock price. Our business also could be affected by risks that we are not presently aware of or that we currently consider immaterial to our operations.

**Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

**Purchases of Equity Securities** – The following table presents common stock repurchases during each month for the third quarter of 2024:

<i>Period</i>	<i>Total Number of Shares Purchased [a]</i>	<i>Average Price Paid Per Share</i>	<i>Total Number of Shares Purchased as Part of a Publicly Announced Plan or Program</i>	<i>Maximum Number of Shares That May Be Purchased Under Current Authority [b]</i>
Jul. 1 through Jul. 31	875,956	\$ 236.15	875,956	79,023,751
Aug. 1 through Aug. 31	1,148,092	246.70	1,147,633	77,876,118
Sep. 1 through Sep. 30	1,025,829	251.96	982,472	76,893,646
Total	3,049,877	\$ 245.44	3,006,061	N/A

[a] Total number of shares purchased during the quarter includes 43,816 shares delivered or attested to UPC by employees to pay stock option exercise prices and satisfy tax withholding obligations for stock option exercises or vesting of retention units or retention shares.

[b] Effective April 1, 2022, our Board of Directors authorized the repurchase of up to 100 million shares of our common stock by March 31, 2025. These repurchases may be made on the open market or through other transactions. Our management has sole discretion with respect to determining the timing, manner, and amount of these transactions.

**Item 3. Defaults Upon Senior Securities**

None.

**Item 4. Mine Safety Disclosures**

Not Applicable.

**Item 5. Other Information**

On August 16, 2024, Todd M. Rynaski, Senior Vice President and Chief Accounting, Risk, and Compliance Officer, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 12,105 shares of Union Pacific Corporation common stock, of which 12,105 are to be acquired upon the exercise of vested stock options, between November 15, 2024, and August 29, 2025, subject to certain conditions.

On August 28, 2024, Craig V. Richardson, Executive Vice President, Chief Legal Officer, and Corporate Secretary, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 6,495 shares of Union Pacific Corporation common stock, of which 6,495 are to be acquired upon the exercise of vested stock options, between November 27, 2024, and June 30, 2025, subject to certain conditions.

On August 28, 2024, Elizabeth F. Whited, President, adopted a trading plan intended to satisfy Rule 10b5-1(c) to sell up to 7,500 shares of Union Pacific Corporation common stock, of which 7,500 are to be acquired upon the exercise of vested stock options, between November 27, 2024, and March 31, 2025, subject to certain conditions.

**Item 6. Exhibits**

Exhibit No.      Description

Filed with this Statement

- 10(a)      [Supplemental Thrift Plan \(409A Grandfathered Component\) of Union Pacific Corporation, effective as of January 1, 2009, including all amendments adopted through August 1, 2024.](#)
- 10(b)      [Supplemental Thrift Plan \(409A Non-Grandfathered Component\) of Union Pacific Corporation, effective as of January 1, 2009, including all amendments adopted through August 1, 2024.](#)
- 10(c)      [Supplemental Pension Plan for Officers and Managers \(409A Grandfathered Component\) of Union Pacific Corporation and Affiliates, as amended and restated in its entirety effective January 1, 1989, including all amendments adopted through August 1, 2024.](#)

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- 10(d) [Supplemental Pension Plan for Officers and Managers \(409A Non-Grandfathered Component\) of Union Pacific Corporation and Affiliates, as amended and restated in its entirety effective January 1, 1989, including all amendments adopted through August 1, 2024.](#)
- 10(e) [Deferred Compensation Plan \(409A Grandfathered Component\) of Union Pacific Corporation, originally effective as of January 1, 2009, as amended and restated including all amendments adopted through August 1, 2024.](#)
- 10(f) [Deferred Compensation Plan \(409A Non-Grandfathered Component\) of Union Pacific Corporation, originally effective as of January 1, 2009, as amended and restated including all amendments adopted through August 1, 2024.](#)
- 31(a) [Certifications Pursuant to Rule 13a-14\(a\), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - V. James Vena.](#)
- 31(b) [Certifications Pursuant to Rule 13a-14\(a\), of the Exchange Act, as Adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 - Jennifer L. Hamann.](#)
- 32 [Certifications Pursuant to 18 U.S.C. Section 1350, as Adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 - V. James Vena and Jennifer L. Hamann.](#)
- 101 The following financial and related information from Union Pacific Corporation's Quarterly Report on Form 10-Q for the period ended September 30, 2024 (filed with the SEC on October 24, 2024), formatted in Inline Extensible Business Reporting Language (iXBRL) includes (i) Condensed Consolidated Statements of Income for the periods ended September 30, 2024 and 2023, (ii) Condensed Consolidated Statements of Comprehensive Income for the periods ended September 30, 2024 and 2023, (iii) Condensed Consolidated Statements of Financial Position at September 30, 2024, and December 31, 2023, (iv) Condensed Consolidated Statements of Cash Flows for the periods ended September 30, 2024 and 2023, (v) Condensed Consolidated Statements of Changes in Common Shareholders' Equity for the periods ended September 30, 2024 and 2023, and (vi) the Notes to the Condensed Consolidated Financial Statements.
- 104 Cover Page Interactive Data File, formatted in Inline XBRL (contained in Exhibit 101).

[Incorporated by Reference](#)

- 3(a) [Restated Articles of Incorporation of UPC, as amended and restated through June 27, 2011, and as further amended May 15, 2014, are incorporated herein by reference to Exhibit 3\(a\) to the Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2014.](#)
- 3(b) [By-Laws of UPC, as amended, effective November 19, 2015, are incorporated herein by reference to Exhibit 3.2 to the Corporation's Current Report on Form 8-K dated November 19, 2015.](#)

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Dated: October 24, 2024

UNION PACIFIC CORPORATION (Registrant)

By /s/ Jennifer L. Hamann  
Jennifer L. Hamann  
Executive Vice President and  
Chief Financial Officer  
(Principal Financial Officer)

By /s/ Todd M. Rynaski  
Todd M. Rynaski  
Senior Vice President and  
Chief Accounting, Risk, and Compliance Officer  
(Principal Accounting Officer)





**SUPPLEMENTAL THRIFT PLAN  
(409A Grandfathered Component)**

of

**UNION PACIFIC CORPORATION**

*(Effective as of January 1, 2009, including all amendments adopted through August 1, 2024)*

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# ARTICLE ONE

## Scope of Plan and Definitions

- 1.1 Purpose and Scope of Plan** - The purpose of the Plan (this and other capitalized terms having the meanings set forth below) is to provide benefits to Eligible Employees who participate in the Thrift Plan in excess of those permitted under the Thrift Plan because of the limitations set forth in Sections 401(a)(17) and 415 of the Code. To the extent that benefits are provided under the Plan, solely because of the limitations set forth in Section 415 of the Code, the Company intends to maintain the Plan as an “excess benefit plan” as that term is defined in Section 3(36) of ERISA. The rights of each Participant and his Beneficiaries to benefits under the Plan shall be governed by the Plan as set forth herein and as it may hereafter be amended from time to time. This Plan was effective January 1, 2009, unless expressly provided otherwise herein, and has since been amended, and is now further amended and restated effective August 1, 2024 as set forth herein.
- 1.2 Applicability** - The Supplemental Thrift Plan was bifurcated into two components, effective January 1, 2009. As reflected in the terms of this Plan, one such component is applicable solely to those amounts that were, as of December 31, 2004, both credited to a Participant’s Account and fully vested in accordance with the terms of the Supplemental Thrift Plan as in effect on December 31, 2004 (including related investment gains and losses occurring thereafter), which terms were not materially modified after October 3, 2004. With respect to any other amounts credited to a Participant’s account under the Supplemental Thrift Plan, the rights of the Participant and his Beneficiaries shall be governed by the component of the Supplemental Thrift Plan known as the “Supplemental Thrift Plan (409A Non-Grandfathered Component) of Union Pacific Corporation, effective January 1, 2009” as it may hereafter be amended from time to time. Prior to January 1, 2009, with respect to all amounts credited under the Supplemental Thrift Plan that were subject to section 409A of the Code, the Supplemental Thrift Plan was administered in good faith compliance with section 409A of the Code.
- 1.3 Definitions** - As used in the Plan, the following terms shall have the meanings set forth below, unless a different meaning is plainly required by the context:
- (a) “Account” shall mean the entries maintained on the books of the Company which represent a Participant’s interest under the Plan. The term “Account” shall refer, as the context indicates, to either or both of the following:
    - (1) “A Account” shall mean the Account which shows amounts credited to a Participant pursuant to Section 2.1 of the Supplemental Thrift Plan as in effect on December 31, 2004, valued in accordance with Section 2.1 and adjusted for payments made pursuant to Section 3.1.
    - (2) “B Account” shall mean the Account which shows amounts credited to a participant pursuant to Section 2.2 of the Supplemental Thrift Plan as in effect on December 31, 2004, valued in accordance with Section 2.1 and adjusted for payments made pursuant to Section 3.1.

Under no circumstances shall a Participant's Account be deemed to include amounts (including investment gains and losses thereon) which under the terms of the Supplemental Thrift Plan were credited after December 31, 2004 or were not vested as of that date.

- (b) "Beneficiary" shall mean the person designated by a Participant to receive his interest under the Thrift Plan in the event of his death, unless the Participant designates a different person to be his Beneficiary hereunder pursuant to procedures adopted by the Named Fiduciary-Plan Administration. If a Participant has made no such designation under the Thrift Plan, the Participant shall designate the person to be his Beneficiary hereunder pursuant to procedures adopted by the Named Fiduciary-Plan Administration. Absent such designation, the Participant's Beneficiary shall be his estate.
- (c) "Participant" shall mean any person who has an Account which has not been distributed pursuant to Section 3.1.
- (d) "Plan" shall mean the Union Pacific Corporation Supplemental Thrift Plan (409A Grandfathered Component), as amended and restated in its entirety effective as of January 1, 2009 as set forth herein, and as it may hereafter be amended from time to time.
- (e) "Supplemental Thrift Plan" shall mean the Union Pacific Corporation Supplemental Thrift Plan, effective January 1, 1989, and as it may thereafter be amended from time to time. The Supplemental Thrift Plan is comprised of the following components, each of which is set forth in a separate document: (1) The Union Pacific Corporation Supplemental Thrift Plan (409A Grandfathered Component), and (2) The Union Pacific Corporation Supplemental Thrift Plan (409A Non-Grandfathered Component).
- (f) "Thrift Plan" shall mean the Union Pacific Corporation Thrift Plan, as in effect as of January 1, 1989, and as it may thereafter be amended from time to time.

**1.4 Terms Defined in the Thrift Plan** - For all purposes of the Plan, the following terms shall have the meanings specified in the Thrift Plan, unless a different meaning is plainly required by the context: "Affiliated Company"; "Board of Directors"; "Code"; "Company"; "ERISA"; "Named Fiduciary-Plan Administration"; and "Separation from Service"; provided, however, that in determining if a Separation from Service has occurred, the initial public offering of Overnite Corporation that is the subject of Form S-1 Registration Statement No. 333-107614 shall be disregarded.

**1.5 Other Definitional Provisions** - The terms defined in Sections 1.3 and 1.4 of the Plan shall be equally applicable to both the singular and plural forms of the terms defined. The masculine pronoun, whenever used, shall include the feminine and *vice versa*. The words "hereof," "herein" and "hereunder" and words of similar import when used in the Plan shall refer to the Plan as a whole and not to any particular provision of the Plan, unless otherwise specified.

## ARTICLE TWO

### Valuation of Accounts

- 2.1** **Valuation of Accounts** - Pending distribution pursuant to Section 3.1, the value of amounts credited to a Participant's A and B Accounts as of any subsequent date shall be determined by the Named Fiduciary-Plan Administration as follows:
- (a) except as provided in (b) and (c) below, as if such amounts had instead been actually contributed to the Thrift Plan and been invested in accordance with the investment provisions set forth in Article VI (effective August 8, 2007, without regard to Section 6.05A) thereof, provided that investment elections for purposes of the Plan may differ from those made by such Participant under the Thrift Plan; or
  - (b) except as provided in (c) below, after a Participant's accounts under the Thrift Plan are transferred to another defined contribution plan maintained within the controlled group of corporations of which the Company is the common parent, as if such Accounts had been actual investments transferred to such transferee plan and been invested in accordance with the investment provisions set forth in such transferee plan (effective August 8, 2007, without regard to a provision, if any, in such transferee plan permitting participants in such transferee plan to participate in the Vanguard Advisers Managed Account Program), provided that investment elections for purposes of the Plan may differ from those made by such Participant under such transferee plan; or
  - (c) effective May 1, 1991 for a Participant who is subject to the restrictions under Section 16 of the Securities Exchange Act of 1934, as if such amounts had instead been actually contributed to the Thrift Plan and been invested in accordance with the investment provisions set forth in Article VI (effective August 8, 2007, without regard to Section 6.05A) thereof except that the Participant must make separate investment elections for purposes of this Plan so that no amount will be treated as if it were actually invested in the Company common stock fund and may make other investment elections for purposes of the Plan that differ from those made under the Thrift Plan.

## ARTICLE THREE

### Payments

#### **3.1 Payments on Separation from Service -**

- (a) Except as provided in subparagraph (b), as soon as administratively practicable following the completion of the first valuation of a Participant's Account pursuant to Section 2.1 which coincides with or next follows the Participant's Separation from Service, the value of the Participant's Account at the time of such Separation from Service shall be paid to the Participant or, if such Participant is not living at the time of payment, to such Participant's Beneficiaries in a single lump-sum payment in cash.
- (b) A Participant may elect in writing at least six (6) months prior to his Separation from Service and in the tax year prior to his Separation from Service to have his Account paid to him or, if such Participant is not living at the time of payment, to such Participant's Beneficiaries, in accordance with one of the following forms:
- (1) A single lump-sum distribution as provided in subparagraph (a) payable in the year of the Participant's Separation from Service or (if elected by the Participant) January of the next year following such Separation from Service;
  - (2) Annual installments over a period not to exceed fifteen (15) years, such installment period to be elected by the Participant, beginning as soon as administratively practicable following: (A) the Participant's Separation from Service or (B), if elected by the Participant, January of the next year following such Separation from Service, with (under either option) subsequent installments paid in January of each subsequent year, provided that all subsequent installments will be paid in the next succeeding January, with each installment determined by dividing the value of the Participant's vested Account by the number of installments remaining to be made; or
  - (3) A single lump-sum distribution payable in January of a year following the Participant's Separation from Service that is not later than fifteen (15) years from the Participant's Separation from Service, such year to be elected by the Participant. The amount of such distribution shall equal the balance in the Participant's Account at such specified date. Pending the lump-sum distribution as aforesaid, the Participant's Account shall continue to be invested in accordance with Article Two. At the end of each calendar quarter following the Participant's Separation from Service, the net increase or decrease in the value of the Account, measured from the first valuation of such Account pursuant to Article Two which coincides with or next follows the Participant's Separation from Service, shall be determined. The amount of any such net increase for any calendar quarter shall be distributed to the Participant within thirty (30) days following the end of such calendar quarter.

(c) On the death of a Participant whose Account is payable under (b)(2) or (3), the Named Fiduciary-Plan Administration, in her sole discretion, may accelerate one or more installments or payments, and change the form of payment or distribution in accordance with this Section 3.1, of any balance of a Participant's Account.

3.2 **Payments Prior to Separation From Service** – A Participant may request a withdrawal from his Account prior to his Separation from Service by filing a request with the Named Fiduciary-Plan Administration. Any withdrawal under this Section will be charged with a 10% early withdrawal penalty that will be withheld from the amount withdrawn and such amount withheld shall be irrevocably forfeited. All withdrawals shall be made pro-rata from the investment funds in which the Participant's Account are invested at the time of the withdrawal.

3.3 All payments attributable to credits made hereunder on behalf of a Participant shall be made by the Company on its own behalf or on behalf of the Affiliated Company by who such Participant was employed when such credits were made. Such Affiliated Company shall reimburse the Company for all amounts paid on its behalf.

## ARTICLE FOUR

### Administration

4.1 **Responsibilities and Powers of the Named Fiduciary-Plan Administration** - The Named Fiduciary-Plan Administration shall be solely responsible for the operation and administration of the Plan and shall have all powers necessary and appropriate to carry out her responsibilities in operating and administering the Plan. Without limiting the generality of the foregoing, the Named Fiduciary-Plan Administration shall have the responsibility and power to interpret the Plan, to make factual determinations and to determine whether a credit should be made on behalf of a Participant, the amount of the credit and the value of the amount so credited on any subsequent date. The determination of the Named Fiduciary-Plan Administration, made in good faith, shall be conclusive and binding on all persons, including Participants and their Beneficiaries.

4.2 **Outside Services** - The Named Fiduciary-Plan Administration may engage counsel and such clerical, medical, financial, investment, accounting and other specialized services as she may deem necessary or desirable to the operation and administration of the Plan. The Named Fiduciary-Plan Administration shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.

4.3 **Indemnification** - The Company shall indemnify the Named Fiduciary-Plan Administration against any and all claims, loss, damages, expense (including reasonable counsel fees) and liability arising from any action or failure to act or other conduct in her official capacity, except when the same is due to her own gross negligence or willful misconduct.

4.4 **Claims Procedures** - The claims procedures set forth in Article XIII of the Thrift Plan shall apply to any claim for benefits hereunder, subject to such changes as the Named Fiduciary-Plan Administration deems necessary or appropriate.

## ARTICLE FIVE

### Amendment and Termination

- 5.1 **Amendment** - The Board of Directors reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate to conform with governmental regulations or other policies, to modify or amend in whole or in part any or all of the provisions of the Plan. In addition, the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or the Company with similar authority may make (a) all technical, administrative, regulatory and compliance amendments to the Plan, (b) any amendment to the Plan necessary or appropriate to conform the Plan to changes in the Thrift Plan, and (c) any other amendment to the Plan that will not significantly increase the cost of the Plan to the Company as he or she deems necessary or appropriate. Notwithstanding anything to the contrary above, no amendment shall operate to reduce the accrued benefit of any individual who is a Participant at the time the amendment is adopted.
- 5.2 **Termination** - The Plan is purely voluntary and the Board of Directors reserves the right to terminate the Plan at any time, provided, however, that the termination shall not operate to reduce the accrued benefit of any individual who is a Participant at the time the Plan is terminated.

## ARTICLE SIX

### General Provisions

- 6.1 **Source of Payments** - The Plan shall not be funded and all payments hereunder to Participants and their Beneficiaries shall be paid from the general assets of the Company. The Company shall not, by virtue of any provisions of the Plan or by any action of any person hereunder, be deemed to be a trustee or other fiduciary of any property for any Participant or his Beneficiaries and the liabilities of the Company to any Participant or his Beneficiaries pursuant to the Plan shall be those of a debtor only pursuant to such contractual obligations as are created by the Plan and no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. To the extent that any Participant or his Beneficiaries acquire a right to receive a payment from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

- 6.2** **No Warranties** - Neither the Named Fiduciary-Plan Administration nor the Company warrants or represents in any way that the value of each Participant's Account will increase or not decrease. Such Participant assumes all risk in connection with any change in such value.
- 6.3** **Inalienability of Benefits** - No benefit payable under, or interest in, the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any attempt to do so shall be void; nor shall any such benefit or interest be in any manner liable for or subject to garnishment, attachment, execution or levy or liable for or subject to the debts, contracts, liabilities, engagements or torts of any Participant or his Beneficiaries. In the event that the Named Fiduciary-Plan Administration shall find that any Participant or his Beneficiaries has become bankrupt or that any attempt has been made to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit payable under, or interest in, the Plan, the Named Fiduciary-Plan Administration shall hold or apply such benefit or interest or any part thereof to or for the benefit of such Participant or his Beneficiaries, his spouse, children, parents or other relatives or any of them.
- 6.4** **Expenses** - The Company shall pay all costs and expenses incurred in operating and administering the Plan, including the expense of any counsel or other specialist engaged by the Named Fiduciary-Plan Administration.
- 6.5** **No Right of Employment** - Nothing herein contained nor any action taken under the provisions hereof shall be construed as giving any Participant the right to be retained in the employ of the Company or any Affiliated Company.
- 6.6** **Limitations on Obligations** - Neither the Company, nor any Affiliated Company, nor any officer or employee of either, nor any member of the Board of Directors nor the Named Fiduciary-Plan Administration shall be responsible or liable in any manner to any Participant, Beneficiary or any person claiming through them for any action taken or omitted in connection with the granting of benefits or the interpretation and administration of the Plan.
- 6.7** **Withholding** - The Company shall, on its own behalf or on behalf of the Affiliated Companies, withhold from any payment hereunder the required amounts of income and other taxes.



- 6.8** **Headings** - The headings of the Sections in the Plan are placed herein for convenience of reference and, in the case of any conflict, the text of the Plan, rather than such heading, shall control.
- 6.9** **Construction** - The Plan shall be construed, regulated and administered in accordance with the laws of the State of Utah, without regard to the choice of law principles thereof.
- 6.10** **Payments to Minors, Etc.** - Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person and such payment shall fully discharge the Named Fiduciary-Plan Administration, the Company, all Affiliated Companies and all other parties with respect thereto.



**SUPPLEMENTAL THRIFT PLAN  
(409A Non-Grandfathered Component)**

of

**UNION PACIFIC CORPORATION**

*(Effective as of January 1, 2009, including all amendments adopted through August 1, 2024)*

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## ARTICLE ONE

### Scope of Plan and Definitions

- 1.1** **Purpose and Scope of Plan** - The purpose of the Plan (this and other capitalized terms having the meanings set forth below) is to provide benefits to Eligible Employees who participate in the Thrift Plan in excess of those permitted under the Thrift Plan because of the limitations set forth in Sections 401(a)(17) and 415 of the Code. To the extent that benefits are provided under the Plan, solely because of the limitations set forth in Section 415 of the Code, or because of contributions to a C Account as described herein, the Company intends to maintain the Plan as an “excess benefit plan” as that term is defined in Section 3(36) of ERISA and Treas. Reg. section 1.409A-2(a)(7)(iii). The rights of each Participant and his Beneficiaries to benefits under the Plan shall be governed by the Plan as set forth herein and as it may hereafter be amended from time to time. This Plan was effective January 1, 2009, unless expressly provided otherwise herein, and has since been amended, and is now further amended and restated effective August 1, 2024 as set forth herein.
- 1.2** **Applicability** - The Supplemental Thrift Plan was bifurcated into two components, effective January 1, 2009. As reflected in the terms of this Plan, one such component is applicable solely to those amounts that were not, as of December 31, 2004, both credited to a Participant’s Account and fully vested or as to which the Participant had a vested right in accordance with the terms of the Supplemental Thrift Plan as in effect on December 31, 2004 (including related investment gains and losses occurring thereafter). With respect to any other amounts credited to a Participant’s account under the Supplemental Thrift Plan, the rights of the Participant and his Beneficiaries shall be governed by the component of the Supplemental Thrift Plan known as the “Supplemental Thrift Plan (409A Grandfathered Component) of Union Pacific Corporation, as amended and restated effective January 1, 2009”, as it may hereafter be amended from time to time as permitted under Section 409A of the Code. Prior to January 1, 2009, with respect to all amounts credited under the Supplemental Thrift Plan that were subject to section 409A of the Code, the Supplemental Thrift Plan was administered in good faith compliance with section 409A of the Code.
- 1.3** **Definitions** - As used in the Plan, the following terms shall have the meanings set forth below, unless a different meaning is plainly required by the context:
- (a) “Account” shall mean the entries maintained on the books of the Company which represent a Participant’s interest under the Plan. The term “Account” shall refer, as the context indicates, to one or all of the following:
    - (1) “A Account” shall mean the Account which shows amounts credited to a Participant pursuant to Section 2.1, valued in accordance with Section 2.6 and adjusted for payments made pursuant to Article Four.

- (2) “B Account” shall mean the Account which shows amounts credited to a Participant pursuant to Section 2.2, valued in accordance with Section 2.6 and adjusted for payments made pursuant to Article Four.
- (3) “C Account” shall mean the Account which shows amounts credited to a Participant pursuant to Section 2.4, valued in accordance with Section 2.6 and adjusted for payments made pursuant to Article Four.

Under no circumstances shall a Participant’s Account be deemed to include amounts (including investment gains and losses thereon) which under the terms of the Supplemental Thrift Plan were credited or as to which the Participant had a vested right as of December 31, 2004 and were fully vested as of that date.

- (b) “Beneficiary” shall mean the person designated by a Participant to receive his interest under the Thrift Plan in the event of his death, unless the Participant designates a different person to be his Beneficiary hereunder pursuant to procedures adopted by the Named Fiduciary-Plan Administration. If a Participant has made no such designation under the Thrift Plan, the Participant shall designate the person to be his Beneficiary hereunder pursuant to procedures adopted by the Named Fiduciary-Plan Administration. Absent such designation, the Participant’s Beneficiary shall be his estate.
- (c) “Compensation” shall mean the fixed and basic salary or wage paid by the Company or any Affiliated Company to an Employee during a Plan Year, exclusive of (1) overtime, (2) bonuses, (3) fees, (4) retainers, (5) incentive payments, lump-sum merit awards or any other form of extra remuneration, (6) cash payments received under the Long-Term Disability Plan of Union Pacific, and (7) any amounts that the Employee receives with respect to periods when he is not an Eligible Employee. Notwithstanding the above, Compensation shall be determined prior to giving effect to any salary reduction election made pursuant to the Thrift Plan or pursuant to the Union Pacific Flexible Benefits Program and prior to giving effect to any Compensation reduction agreement hereunder. Compensation shall be determined prior to giving effect to any salary reduction election made pursuant to the Union Pacific Transportation Spending Account Program.
- (d) “Eligible Employee” shall mean an Eligible Employee as defined in the Thrift Plan (1) for whom the Named Fiduciary-Plan Administration determines that: a) the After-Tax Employee Contribution, Elective Contribution and Matching Contribution that would be made and allocated under the Thrift Plan for a month if the limitations set forth in Sections 401(a)(17) and 415 of the Code did not apply might exceed his After-Tax Employee Contribution, Elective Contribution and Matching Contribution made and allocated for the month; or b) the Non-Elective Contribution that would be made and allocated to him under the Thrift Plan for a Plan Year if the limitations set forth in Sections 401(a)(17) and 415 of the Code did not apply might exceed his Non-Elective Contribution made and allocated to him for the Plan Year; and (2) whom the Named Fiduciary-Plan Administration has designated as eligible to participate in this Plan.

- (e) "Participant" shall mean (1) any Eligible Employee for whom credits have been or are being made hereunder, or (2) any former Eligible Employee for whom credits have been made hereunder and who either (A) continues to be employed by the Company or an Affiliated Company, or (B) has an interest in all or a portion of his Account which has not been distributed pursuant to Article Four.
- (f) "Plan" shall mean the Union Pacific Corporation Supplemental Thrift Plan (409A Non-Grandfathered Component), effective as of January 1, 2009 as set forth and restated herein, and as it may hereafter be amended from time to time.
- (g) "Separation from Service" shall mean a separation from service as defined in the regulations promulgated under Section 409A of the Code.
- (h) "Supplemental Thrift Plan" shall mean the Union Pacific Corporation Supplemental Thrift Plan, effective January 1, 1989, and as it may thereafter be amended from time to time. The Supplemental Thrift Plan is comprised of the following components, each of which is set forth in a separate document: (1) The Union Pacific Corporation Supplemental Thrift Plan (409A Grandfathered Component), and (2) The Union Pacific Corporation Supplemental Thrift Plan (409A Non-Grandfathered Component).
- (i) "Thrift Plan" shall mean the Union Pacific Corporation Thrift Plan, as in effect as of January 1, 1989, and as it may thereafter be amended from time to time.

**1.4 Terms Defined in the Thrift Plan** - For all purposes of the Plan, the following terms shall have the meanings specified in the Thrift Plan, unless a different meaning is plainly required by the context: "Affiliated Company"; "After-Tax Employee Contribution"; "Elective Contribution"; "Board of Directors"; "Code"; "Company"; "Employee"; "ERISA"; "Matching Contribution"; "Named Fiduciary-Plan Administration"; "Non-Elective Contribution"; and "Plan Year."

**1.5 Other Definitional Provisions** - The terms defined in Sections 1.3 and 1.4 of the Plan shall be equally applicable to both the singular and plural forms of the terms defined. The masculine pronoun, whenever used, shall include the feminine and *vice versa*. The words "hereof," "herein" and "hereunder" and words of similar import when used in the Plan shall refer to the Plan as a whole and not to any particular provision of the Plan, unless otherwise specified.

## ARTICLE TWO

### Contributions and Credits

#### 2.1 Elective Deferrals and Credits

- (a) An Eligible Employee may, with respect to any Plan Year, elect to make deferrals to be credited under the Plan by filing a Compensation reduction agreement with the Named Fiduciary-Plan Administration on such form and at such time in advance as may be prescribed by the Named Fiduciary-Plan Administration for such purpose. Such agreement shall authorize the Company or the Affiliated Company by which the Eligible Employee is employed to reduce the Eligible Employee's Compensation by the percentage elected by the Eligible Employee, with such percentage being not less than the minimum deferral percentage permitted under the Thrift Plan and not more than the maximum deferral percentage permitted under the Thrift Plan, commencing as of the date determined pursuant to subparagraph (c)(1) below. The Company shall credit such amount to the Eligible Employee's A Account under the Plan.
- (b) Any election made by an Eligible Employee to defer Compensation made pursuant to paragraph (a) above must be made prior to the beginning of the calendar year in which the Eligible Employee performs the services for which the Compensation is payable. An Eligible Employee's election shall remain in effect until the earlier of: 1) when his status as an Eligible Employee ends; or 2) December 31 of the Plan Year to which the election pertains.
- (c) At an Eligible Employee's election, his deferrals under paragraph (a) above shall:
- (1) commence at the earlier of when (A) the Eligible Employee's Compensation for the Plan Year to which such election applies equals the limitation set forth in Section 401(a)(17) of the Code or (B) the percentage of Compensation the Eligible Employee elected to contribute under the Thrift Plan has resulted in annual additions on behalf of the Eligible Employee (including such additions attributable to Matching Contributions and Non-Elective Contributions under the Thrift Plan as in effect on the first day of such Plan Year) equal to the limit set forth in Section 415 of the Code; and
  - (2) equal the percentage of the Eligible Employee's Compensation for the period following the commencement date of such deferral determined pursuant to subparagraph (c)(1) above as elected by the Eligible Employee pursuant to paragraph (a) above.

- 2.2 **Supplemental Matching Credits** - The Company shall credit an Eligible Employee's B Account with an amount equal to the Matching Contribution that would have been allocated to the Eligible Employee under the Thrift Plan with respect to the deferral being credited to the Eligible Employee's A Account pursuant to Section 2.1.

- 2.3 Timing of Elective Deferral and Matching Credits** - Credits for a month under Sections 2.1 and 2.2 shall be made as of the same date that such amounts would have been allocated to the Participant's accounts under the Thrift Plan had such amounts been included in the Participant's After-Tax Employee Contributions, Elective Contributions and Matching Contributions for the month.
- 2.4 Supplemental Non-Elective Contribution Credits** - Effective January 1, 2018, with respect to an Eligible Employee who is eligible to receive (prior to taking into account the limitations of Sections 5.04 and 2.22(e) of the Thrift Plan) an allocation of Non-Elective Contribution under the terms of the Thrift Plan for a Plan Year and who the Named Fiduciary-Plan Administration has designated as eligible to participate in the Plan on or before the last day of such Plan Year, the Company shall credit an Eligible Employee's C Account for a Plan Year with an amount equal to the result of (a) minus (b) where:
- (a) is the annual Non-Elective Contribution for the Plan Year computed as described in and subject to the conditions of Section 4.09 of the Thrift Plan, but determined without regard to the limitation described in Section 5.04 of the Thrift Plan, and including in such computation any amounts of Compensation that were excluded from consideration for the Eligible Employee as a result of the limitation described in Section 2.22(e) of the Thrift Plan; and
  - (b) is the Non-Elective Contribution actually determined to be contributed and allocated to the Eligible Employee for such Plan Year under the terms of the Thrift Plan.
- 2.5 Timing of Supplemental Non-Elective Contribution Credits** - Credit for a Plan Year under Section 2.4 shall be made as of the same date that the Eligible Employee's Non-Elective Contribution is allocated to the Eligible Employee's account under the Thrift Plan for the Plan Year. No credit under Section 2.4 shall be made with respect to a Plan Year in which the Eligible Employee is not eligible to receive (prior to taking into account the limitations of Sections 5.04 and 2.22(e) of the Thrift Plan) an allocation of Non-Elective Contribution under the Thrift Plan.
- 2.6 Valuation of Accounts** - Pending distribution pursuant to Article Four, the value of amounts credited to a Participant's A, B and C Accounts as of any subsequent date shall be determined by the Named Fiduciary-Plan Administration as follows:
- (a) except as provided in (b) and (c) below, as if such amounts had instead been actually contributed to the Thrift Plan and been invested in accordance with the investment provisions set forth in Article VI (effective August 8, 2007, without regard to Section 6.05A) thereof, provided that investment elections for purposes of the Plan may differ from those made by such Participant under the Thrift Plan; or

- (b) except as provided in (c) below, after a Participant's accounts under the Thrift Plan are transferred to another defined contribution plan maintained within the controlled group of corporations of which the Company is the common parent, as if such Accounts had been actual investments transferred to such transferee plan and been invested in accordance with the investment provisions set forth in such transferee plan (effective August 8, 2007, without regard to a provision, if any, in such transferee plan permitting participants in such transferee plan to participate in the Vanguard Advisers Managed Account Program), provided that investment elections for purposes of the Plan may differ from those made by such Participant under such transferee plan; or
- (c) effective May 1, 1991 for a Participant who is subject to the restrictions under Section 16 of the Securities Exchange Act of 1934, as if such amounts had instead been actually contributed to the Thrift Plan and been invested in accordance with the investment provisions set forth in Article VI (effective August 8, 2007, without regard to Section 6.05A) thereof except that the Participant must make separate investment elections for purposes of this Plan so that no amount will be treated as if it were actually invested in the Company common stock fund and may make other investment elections for purposes of the Plan that differ from those made under the Thrift Plan.

### ARTICLE THREE

#### Vesting

- 3.1 **A Account** - Each Participant shall be 100% vested, at all times, in the value of his A Account.
- 3.2 **B Account** - Each Participant shall be 100% vested, at all times, in the value of his B Account.
- 3.3 **C Account** - Each Participant shall be 100% vested, at all times, in the value of his C Account.

### ARTICLE FOUR

#### Payments

#### 4.1 **Payments on Separation from Service** -

- (a) (1) A Participant who fails to make a timely election described in subparagraph (b)(1) or (2), as applicable, shall be deemed to have elected to receive the value of his A and B Accounts at the time of his Separation from Service in a single lump-sum payment in cash. Subject to Section 4.3, such payment shall be made as soon as administratively practicable following the completion of the first valuation of a Participant's A and B Accounts pursuant to Section 2.6 which coincides with or next follows the Participant's Separation from Service, but in no event later than the end of the calendar year in which the Participant's Separation from Services occurs or, if later, ninety (90) days after such Separation from Service.



- (2) A Participant who fails to make a timely election described in subparagraph (b)(4) shall be deemed to have elected, subject to Section 4.3, to receive the value of his Account in January of the next year following his Separation from Service in a single lump-sum payment in cash.
- (b) (1) A Participant who has an Account in the Plan as of any time during the 2008 calendar year may elect in writing, according to such rules and using such forms as may be prescribed by the Named Fiduciary-Plan Administration, to have his A and B Accounts paid to him in one of the forms specified in paragraph (c) below, provided such Participant's Separation from Service occurs after December 31, 2008. Such election must be made no later than December 31, 2008 and shall apply to the Participant's entire A and B Accounts payable at the Participant's Separation from Service after December 31, 2008, subject to paragraph (d) below.
- (2) A Participant who is not eligible to make an election under subparagraph (b)(1) above and who has an Account in the Plan as of any time prior to January 1, 2018, may elect in writing, according to such rules and using such forms as may be prescribed by the Named Fiduciary-Plan Administration to have his A and B Accounts paid to him in one of the forms specified in paragraph (c) below. Such election must be made no later than the December 31 immediately preceding the calendar year in which his initial deferral election under Section 2.1 becomes effective and shall apply to the Participant's entire A and B Accounts payable at the Participant's Separation from Service, subject to paragraph (d) below.
- (3) A Participant who has an Account in the Plan as of any time prior to January 1, 2018 and who is credited with an amount in his C Account shall receive, subject to Section 4.3, the value of his C Account in January of the next year following his Separation from Service in a single lump-sum payment in cash.
- (4) A Participant who has never had an Account in the Plan as of any time prior to January 1, 2018 may elect in writing, according to such rules and using such forms as may be prescribed by the Named Fiduciary-Plan Administration to have his Account paid to him in one of the forms specified in paragraph (e) below. Such election must be made no later than the earlier of: (i) December 31 immediately preceding the calendar year in which the Participant's initial deferral election under Section 2.1 becomes effective; or (ii) the thirtieth (30<sup>th</sup>) day following the end of the calendar year for which the Participant is first credited with an amount to his C Account in accordance with Section 2.4, and shall apply to the Participant's entire Account (i.e., each of his A, B and C Accounts, as applicable) payable at the Participant's Separation from Service, subject to paragraph (f) below.

- (c) Subject to Section 4.3, a Participant who is eligible to make an election under either subparagraph (b)(1) or (b)(2) above, may elect to have his A and B Accounts paid to him in accordance with one of the following forms:
- (1) A single lump-sum distribution as provided in subparagraph (a)(1) payable in the year of the Participant's Separation from Service or, if elected by the Participant, January of the next year following such Separation from Service;
  - (2) Annual installments over a period not to exceed fifteen (15) years (such installment period to be elected by the Participant), beginning (i) as soon as administratively practicable following the Participant's Separation from Service, but in no event later than the end of the calendar year in which the Participant's Separation from Service occurs or, if later, ninety (90) days after such Separation from Service, or (ii) if elected by the Participant, January of the next year following such Separation from Service, with (under either option) subsequent installments paid in January of each subsequent year, provided that all subsequent installments will be paid in the next succeeding January, with each installment determined by dividing the value of the Participant's A and B Accounts by the number of installments remaining to be made; or
  - (3) A single lump-sum distribution payable in January of a year following the Participant's Separation of Service that is not earlier than two (2) years, and not later than fifteen (15) years following the Participant's Separation from Service, such year to be elected by the Participant. The amount of such distribution shall equal the balance in the Participant's A and B Accounts at such specified date.
- (d) A Participant who has made the election described in subparagraph (b)(1) or (2), as applicable, or the deemed election described in subparagraph (a)(1) may elect in writing to change the form of payment and/or the payment commencement date in accordance with the following rules:
- (1) When a Participant's existing form of payment:
    - (A) is described in subparagraphs (a)(1), (c)(1) or (c)(2) above, a Participant may elect to receive the Participant's A and B Accounts in any form set forth in paragraph (c) above; and
    - (B) is described in subparagraph (c)(3) above, a Participant may elect to receive the Participant's A and B Accounts in the form described in subsection (c)(2) above or change the date as of which the Participant will be paid a single lump-sum under subparagraph (c)(3) above.

- (2) A Participant's election to modify a prior election shall be made both prior to his Separation from Service and at least twelve (12) months prior to the date on which payments would have commenced in accordance with his prior election.
- (3) Notwithstanding the payment date indicated by the form of payment elected thereby, a Participant's modification election to alter the form of payment and/or the date on which his payments will commence must have the effect of postponing the payment commencement date by at least five (5) years, and shall be administered accordingly. No such election shall be permitted if the payment commencement date that was previously elected was more than ten (10) years after the Participant's Separation from Service.
- (4) In the case of a Participant who desires to (A) change the form of payment from a single lump-sum distribution to annual installments, or (B) postpone the payment commencement date of annual installments that he previously elected, the maximum number of annual installments shall be fifteen (15), minus the number of years (with a fractional year rounded up to a full year) between the Participant's Separation from Service and the postponed payment commencement date.
- (5) For purposes of this paragraph (d),
  - (A) the date as of which payments to a Participant would have commenced, absent the election provided by this paragraph, shall be deemed to be the first possible date as of which such payments could have been made to the Participant; and
  - (B) the entitlement to a series of installment payments shall be treated as the entitlement to a single form of payment.
- (e) Subject to Section 4.3, a Participant who is eligible to make an election under subparagraph (b)(4) above, may elect to have his Account paid to him in accordance with one of the following forms:
  - (1) A single lump-sum distribution as provided in subparagraph (a)(2) payable in the January of the next year following such Separation from Service;
  - (2) Annual installments over a period not to exceed fifteen (15) years (such installment period to be elected by the Participant), beginning in January of the next year following the Participant's Separation from Service, with subsequent installments paid in January of each subsequent year, with each installment determined by dividing the value of the Participant's Account by the number of installments remaining to be made; or

- (3) A single lump-sum distribution payable in January of a year following the Participant's Separation of Service that is not earlier than two (2) years, and not later than fifteen (15) years following the Participant's Separation from Service, such year to be elected by the Participant. The amount of such distribution shall equal the balance in the Participant's Account at such specified date.
- (f) A Participant who has made the election described in subparagraph (b)(4) or the deemed election described in subparagraph (a)(2) may elect in writing to change the form of payment and/or the payment commencement date in accordance with the following rules:
- (1) When a Participant's existing form of payment:
- (A) is described in subparagraphs (a)(2), (e)(1) or (e)(2) above, a Participant may elect to receive the Participant's Account in any form set forth in paragraph (e) above; and
- (B) is described in subparagraph (e)(3) above, a Participant may elect to receive the Participant's Account in the form described in subsection (e)(2) above or change the date as of which the Participant will be paid a single lump-sum under subparagraph (e)(3) above.
- (2) A Participant's election to modify a prior election shall be made both prior to his Separation from Service and at least twelve (12) months prior to the date on which payments would have commenced in accordance with his prior election.
- (3) Notwithstanding the payment date indicated by the form of payment elected thereby, a Participant's modification election to alter the form of payment and/or the date on which his payments will commence must have the effect of postponing the payment commencement date by at least five (5) years, and shall be administered accordingly. No such election shall be permitted if the payment commencement date that was previously elected was more than ten (10) years after the Participant's Separation from Service.
- (4) In the case of a Participant who desires to (A) change the form of payment from a single lump-sum distribution to annual installments, or (B) postpone the payment commencement date of annual installments that he previously elected, the maximum number of annual installments shall be fifteen (15), minus the number of years (with a fractional year rounded up to a full year) between the Participant's Separation from Service and the postponed payment commencement date.
- (5) For purposes of this paragraph (f),

- (A) the date as of which payments to a Participant would have commenced, absent the election provided by this paragraph, shall be deemed to be the first possible date as of which such payments could have been made to the Participant; and
- (B) the entitlement to a series of installment payments shall be treated as the entitlement to a single form of payment.
- (g) On the death of a Participant who has not received payment of his full Account under subparagraphs (a), (c) or (e), the Named Fiduciary-Plan Administration shall cause the unpaid balance of the Participant's Account to be paid in a single lump-sum payment to such Participant's Beneficiaries. Such payment shall be made as soon as administratively practicable following completion of the first valuation of the Participant's Account pursuant to Section 2.6 which coincides with or next follows the Participant's date of death, but in no event later than the end of the calendar year following the calendar year in which the Participant's date of death occurs.
- (h) If a Participant returns to employment with the Company after having had a Separation from Service, the value of his Account that is attributable to a prior period of employment shall be paid (or continue to be paid) to the Participant in accordance with his election or deemed election under Section 4.1 without regard to the Participant's reemployment. Contributions to his Account following such reemployment after a Separation from Service shall be paid in accordance with the Participant's previous election or deemed election made (or deemed to be made) in accordance with the applicable provision(s) of Section 4.1. Upon such reemployment, the Participant shall be permitted to change such election as provided by and in accordance with Section 4.1(d) or Section 4.1(f), as applicable.

**4.2 No Payments Prior to Separation From Service** – Under no circumstances shall a Participant receive any payment from the Plan prior to his Separation from Service.

**4.3 Specified Employee Restriction** – Notwithstanding anything in the Plan to the contrary, no payment shall be made to a “specified employee” (as determined in accordance with a uniform policy adopted by the Company with respect to all arrangements subject to Section 409A of the Code maintained by the Company and its Affiliated Companies) until six (6) months plus one day following such specified employee's Separation from Service; provided however, that in the event of the specified employee's death before his payment commencement date, this provision shall not prevent payment of death benefits at the time prescribed by Section 4.1(g).

**4.4 Deferrals from or Credits Related to STD Payments Subsequent to Separation from Service**

- (a) To the extent that a Participant's deferral election under Section 2.1 applies to Compensation paid to him following a Separation from Service that consists of short-term disability benefits under a short-term disability plan of the Company or an Affiliated Company, the amount credited to his A and B Accounts from such deferral for a calendar year, valued in accordance with Section 2.6, shall be paid to such Participant in a single lump-sum payment in cash in January of the next year following such deferral.

(b) To the extent that an amount credited to a Participant's C Account in accordance with Section 2.4 applies to Compensation paid to him following a Separation from Service that consists of short-term disability benefits under a short-term disability plan of the Company or an Affiliated Company, such amount credited to his C Account for a calendar year, valued in accordance with Section 2.6, shall be paid to such Participant in a single lump-sum payment in cash in January of the next year following the year in which the short-term disability benefits are paid to the Participant.

4.5 **Responsibility for Payments** – All payments attributable to credits made hereunder on behalf of a Participant shall be made by the Company on its own behalf or on behalf of the Affiliated Company by who such Participant was employed when such credits were made. Such Affiliated Company shall reimburse the Company for all amounts paid on its behalf.

## ARTICLE FIVE

### Administration

5.1 **Responsibilities and Powers of the Named Fiduciary-Plan Administration** - The Named Fiduciary-Plan Administration shall be solely responsible for the operation and administration of the Plan and shall have all powers necessary and appropriate to carry out her responsibilities in operating and administering the Plan. Without limiting the generality of the foregoing, the Named Fiduciary-Plan Administration shall have the responsibility and power to interpret the Plan, to make factual determinations and to determine whether a credit should be made on behalf of a Participant, the amount of the credit and the value of the amount so credited on any subsequent date. The determination of the Named Fiduciary-Plan Administration, made in good faith, shall be conclusive and binding on all persons, including Participants and their Beneficiaries.

5.2 **Outside Services** - The Named Fiduciary-Plan Administration may engage counsel and such clerical, medical, financial, investment, accounting and other specialized services as she may deem necessary or desirable to the operation and administration of the Plan. The Named Fiduciary-Plan Administration shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.

5.3 **Indemnification** - The Company shall indemnify the Named Fiduciary-Plan Administration against any and all claims, loss, damages, expense (including reasonable counsel fees) and liability arising from any action or failure to act or other conduct in her official capacity, except when the same is due to her own gross negligence or willful misconduct.

- 5.4 **Claims Procedures** - The claims procedures set forth in Article XIII of the Thrift Plan shall apply to any claim for benefits hereunder, subject to such changes as the Named Fiduciary-Plan Administration deems necessary or appropriate.

## ARTICLE SIX

### **Amendment and Termination**

- 6.1 **Amendment** - The Board of Directors reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate to conform with governmental regulations or other policies, to modify or amend in whole or in part any or all of the provisions of the Plan. In addition, the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or the Company with similar authority, may make (a) all technical, administrative, regulatory and compliance amendments to the Plan, (b) any amendment to the Plan necessary or appropriate to conform the Plan to changes in the Thrift Plan, and (c) any other amendment to the Plan that will not significantly increase the cost of the Plan to the Company as he or she deems necessary or appropriate. Notwithstanding anything to the contrary above, no amendment shall operate to reduce the accrued benefit of any individual who is a Participant at the time the amendment is adopted.
- 6.2 **Termination** - The Plan is purely voluntary and the Board of Directors reserves the right to terminate the Plan at any time, provided, however, that the termination shall not operate to reduce the accrued benefit of any individual who is a Participant at the time the Plan is terminated.

## ARTICLE SEVEN

### **General Provisions**

- 7.1 **Source of Payments** - The Plan shall not be funded and all payments hereunder to Participants and their Beneficiaries shall be paid from the general assets of the Company. The Company shall not, by virtue of any provisions of the Plan or by any action of any person hereunder, be deemed to be a trustee or other fiduciary of any property for any Participant or his Beneficiaries and the liabilities of the Company to any Participant or his Beneficiaries pursuant to the Plan shall be those of a debtor only pursuant to such contractual obligations as are created by the Plan and no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. To the extent that any Participant or his Beneficiaries acquire a right to receive a payment from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

- 7.2 **No Warranties** - Neither the Named Fiduciary-Plan Administration nor the Company warrants or represents in any way that the value of each Participant's Account will increase or not decrease. Such Participant assumes all risk in connection with any change in such value.
- 7.3 **Inalienability of Benefits** - No benefit payable under, or interest in, the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any attempt to do so shall be void; nor shall any such benefit or interest be in any manner liable for or subject to garnishment, attachment, execution or levy or liable for or subject to the debts, contracts, liabilities, engagements or torts of any Participant or his Beneficiaries. In the event that the Named Fiduciary-Plan Administration shall find that any Participant or his Beneficiaries has become bankrupt or that any attempt has been made to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit payable under, or interest in, the Plan, the Named Fiduciary-Plan Administration shall hold or apply such benefit or interest or any part thereof to or for the benefit of such Participant or his Beneficiaries, his spouse, children, parents or other relatives or any of them.
- 7.4 **Expenses** - The Company shall pay all costs and expenses incurred in operating and administering the Plan, including the expense of any counsel or other specialist engaged by the Named Fiduciary-Plan Administration.
- 7.5 **No Right of Employment** - Nothing herein contained nor any action taken under the provisions hereof shall be construed as giving any Participant the right to be retained in the employ of the Company or any Affiliated Company.
- 7.6 **Limitations on Obligations** - Neither the Company, nor any Affiliated Company, nor any officer or employee of either, nor any member of the Board of Directors nor the Named Fiduciary-Plan Administration shall be responsible or liable in any manner to any Participant, Beneficiary or any person claiming through them for any action taken or omitted in connection with the granting of benefits or the interpretation and administration of the Plan.
- 7.7 **Withholding** - The Company shall, on its own behalf or on behalf of the Affiliated Companies, withhold from any payment hereunder the required amounts of income and other taxes.
- 7.8 **Headings** - The headings of the Sections in the Plan are placed herein for convenience of reference and, in the case of any conflict, the text of the Plan, rather than such heading, shall control.
- 7.9 **Construction** - The Plan shall be construed, regulated and administered in accordance with the laws of the State of Utah, without regard to the choice of law principles thereof.
- 7.10 **Payments to Minors, Etc.** - Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receipting therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person and such payment shall fully discharge the Named Fiduciary-Plan Administration, the Company, all Affiliated Companies and all other parties with respect thereto.



**SUPPLEMENTAL PENSION PLAN  
(409A GRANDFATHERED COMPONENT)**

**For Officers and Managers**

**of**

**Union Pacific Corporation**

**and**

**Affiliates**

**(As amended and restated in its entirety effective as of January 1, 1989,  
including all amendments adopted through August 1, 2024)**

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## ARTICLE ONE

### Scope of Supplemental Plan and Definitions

1.1 Introduction. This Supplemental Plan (409A Grandfathered Component), amended through January 1, 2009, since amended and now further amended effective August 1, 2024 and as it may hereafter be amended from time to time, establishes the rights to specified benefits for certain officers and managers or highly compensated employees who retire or otherwise terminate their Employment on or after January 1, 1989. The rights of any such individual who retired or otherwise terminated Employment prior to January 1, 1989 shall be subject to the terms of the Supplemental Plan as in effect at the date of retirement or termination, except to the extent otherwise provided herein. This Supplemental Plan is intended to be a non-qualified supplemental retirement plan which is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and, as such, to be exempt from the provisions of Parts 2, 3 and 4 of Subtitle B of Title I of ERISA.

1.2 Applicability. The Supplemental Plan was bifurcated into two components, effective January 1, 2009. As reflected in the terms of this document, one such component is applicable solely to those benefits that were, as of December 31, 2004, both accrued and fully vested in accordance with the terms of the Supplemental Plan as in effect on December 31, 2004, which terms were not materially modified after October 3, 2004. The Supplemental Plan benefit governed by the terms of this 409A Grandfathered Component generally is determined by measuring a Participant’s accrued benefit as if he had had a Separation from Service on the earlier of the date of his actual Separation from Service or December 31, 2004, and applying the terms of the Supplemental Plan, the Pension Plan and the various applicable Code limits as of that date (except as modified herein). With respect to any other amounts accrued under the Supplemental Plan, the rights of the Participant shall be governed by the component of the Supplemental Plan known as the “Supplemental Pension Plan (409A Non-Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates, effective January 1, 1989, including all amendments adopted through January 1, 2009”, as it may hereafter be amended from time to time.

1.3 Definitions. As used in this Supplemental Plan (409A Grandfathered Component), the following terms have the meanings set forth below, unless a different meaning is plainly required by the context:

(a)“ Administrator” shall have the same meaning as “Named Fiduciary – Plan Administration” as such term is defined in the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates.

(b)“ Company” means Union Pacific and any Affiliated Company which is included in the Supplemental Plan by written action of (i) its board of directors and (ii) either the Board of Directors of Union Pacific or the Administrator acting on behalf of the Board of Directors of Union Pacific; provided, however, that if an Affiliated Company (other than an Affiliated Company that would remain such if the phrase “100 percent” were substituted for the phrase “at least 80 percent” in section 1563(a)(1) of the Code, which is then incorporated by reference in sections 414(b) and (c) of the Code) is included in the Supplemental Plan by virtue of action by the Administrator, unless the Board of Directors of Union Pacific ratifies such action not later than its first regularly scheduled meeting held subsequent to the taking of such action by the Administrator, such Affiliated Company shall cease to be so included as of the close of business on the last day of the month in which such meeting occurs and no employee of such Affiliated Company shall accrue a benefit under the Supplemental Plan.

(c)“ Early Supplemental Pension Retirement Date” means, subject to Sections 2.9(a)(ii)(B) and (b)(ii)(B), Section 2.10(b)(ii) and Section 2.12(b)(ii), the date of a Participant’s termination of Employment after he becomes vested in his Supplemental Plan (409A Grandfathered Component) benefit under Section 4.2, before his Normal Retirement Date, and after either attaining age 55 and completing 10 years of Vesting Service or attaining age 65, determined after taking into account (i) additional service that was credited on or before October 3, 2004 under Section 1.3(p) and/or (ii) additional years of age, not exceeding five (5), as was approved on or before October 3, 2004 by the Chief Executive Officer of Union Pacific prior to the Participant’s termination of Employment or as was credited to the Participant pursuant to Section 2.7, 2.9, 2.10, 2.11 or 2.12; provided, however that such date does not qualify on or before December 31, 2004 as an Early Retirement Date under the terms of the Pension Plan.

(d)“ Early Supplemental Pension” means the pension provided for in Section 2.2.

(e)“ Effective Date” means January 1, 1989, the effective date of this document; provided, however, that when a provision of this Supplemental Plan (409A Grandfathered Component) states an effective date other than January 1, 1989, such stated special effective date shall apply as to that provision.

(f)“ Final Average Compensation” means Final Average Compensation as determined under Article II of the Pension Plan as of the earlier of the date of the Participant’s actual Separation from Service or December 31, 2004, assuming the Participant had a Separation from Service on that date.

(g)“ Incentive Compensation” means:

(i) incentive compensation awarded to a Participant (and in which the Participant was vested) on or before December 31, 2004 under the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended and restated as of April 15, 1988 and as it may thereafter be amended from time to time and any successor thereto (the “Executive Incentive Plan”);

(ii) for 1999 and later years, vested incentive compensation foregone by a Participant on or before October 3, 2004 for an award under the Executive Incentive Premium Exchange Program of Union Pacific Corporation and Subsidiaries;

(iii) such other vested incentive compensation as may be included in Incentive Compensation for a Participant on or before October 3, 2004 at the discretion of the Board of Directors of Union Pacific; or

(iv) the amount of retention stock (or retention units) awarded to a Participant by the Compensation and Benefits Committee of the Company's Board of Directors (or any successor thereto) on or before October 3, 2004 in lieu of a cash award under the Executive Incentive Plan,

but only to the extent that such incentive compensation or retention stock (or retention units) is not taken into account in computing the Participant's Final Average Compensation for reasons other than the annual compensation limit under section 401(a)(17) of the Code or the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan (each as determined as of the earlier of the date of the Participant's Separation from Service or December 31, 2004). Awards of Incentive Compensation shall be taken into account at the time such awards would have been paid but for the Participant's election, on or before October 3, 2004, to forego or defer payment under a plan of the Company or an Affiliated Company; provided, however, that for purposes of calculating a Participant's benefit under this Supplemental Plan (409A Grandfathered Component) no more than the three highest awards of Incentive Compensation shall be counted in the Participant's highest 36 consecutive months of Compensation determined as of the earlier of the date of the Participant's Separation from Service or December 31, 2004, and taking all Incentive Compensation into account.

(h) " Normal Supplemental Pension" means the pension provided for in Section 2.1.

(i) " Participant" means any Employee of the Company on or after the Effective Date who is or once was a Covered Employee under the Pension Plan and:

(i) whose Total Credited Service under Section 1.3(p) includes years that are not taken into account as Credited Service under the Pension Plan (including years not taken into account due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan) as of December 31, 2004;

(ii) who has Incentive Compensation within the 120-calendar-month period immediately preceding the earlier of the date on which the Participant ceases to be a Covered Employee or December 31, 2004;

(iii) whose Final Average Compensation is not fully recognized under the Pension Plan due to application of the annual compensation limit under section 401(a)(17) of the Code or the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan, each determined as of the earlier of the date of the Participant's Separation from Service or December 31, 2004;

(iv) whose benefit under the Pension Plan is (or would have been if the Participant had a Separation from Service on December 31, 2004) reduced as a result of the limitation described in Section 5.02 of the Pension Plan, determined no later than December 31, 2004; or

(v) who is credited with additional years of age as described in Section 1.3(c)(ii), and

who has been designated by the Administrator as eligible to participate in the Supplemental Plan.

In the event of the death or incompetency of a Participant, the term shall mean the Participant's personal representative or guardian for whatever amounts remain payable to the Participant under the terms of the Supplemental Plan.

(j)“ Pension Plan” means the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates, as in effect on the earlier of the date of the Participant's Separation from Service or December 31, 2004, unless the context indicates otherwise.

(k)“ Postponed Supplemental Pension” means the pension provided for in Section 2.3.

(l)“ Special 1990-1992 Window Participant” means a Pension Plan participant who retired under an early retirement window program described in Section 6.07 or 6.09 of the Pension Plan and who was prohibited under Section 6.12 (prior to 1999, Section 6.11) of the Pension Plan from receiving the benefits of the window program in any payment from the Pension Plan made for a month prior to November 1, 1994.

(m)“ Supplemental Plan” shall mean the Supplemental Pension Plan for Officers and Managers of Union Pacific Corporation and Affiliates, as amended and restated effective January 1, 1989, and as it may thereafter be amended from time to time. The Supplemental Plan is comprised of the following components, each of which is set forth in a separate document: (1) The Supplemental Pension Plan (409A Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates, and (2) The Supplemental Pension Plan (409A Non-Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates.

(n)“ Surviving Spouse” means:

(i) where payments to the Participant have not begun under the Supplemental Plan at the time of the Participant's death, the spouse who was legally married to the Participant continuously during the 12 months ending on the date of the Participant's death;

(ii) where payments to the Participant have begun under the Supplemental Plan prior to January 1, 1995 and prior to the Participant's death, the spouse who was legally married to the Participant continuously during the 12 months ending on the date that such payments began or who was legally married to the Participant on the date such payments began and for a period of at least 12 months ending on or before the date of the Participant's death;

(iii) where payments to the Participant have begun under the Supplemental Plan on or after January 1, 1995 but prior to the Participant's death:

(A) in the case of a Participant whose Supplemental Plan and Pension Plan benefit began on the same date or who is not vested in a Pension Plan benefit, the spouse who was legally married to the Participant on the date that his Supplemental Plan payments began;

(B) in the case of a Participant whose Supplemental Plan benefits began on a date earlier than the date on which his Pension Plan benefits began, the spouse who was legally married to the Participant on the date his Pension Plan benefits began; or

(C) in the case of a Participant whose Supplemental Plan benefits began but whose vested Pension Plan benefits had not started prior to this death, the spouse who was legally married to the Participant on the date of his death;

provided, however, that, for benefits starting before July 25, 2002, the Surviving Spouse shall be determined as described in this paragraph (iii) unless the Administrator advised the Participant to the contrary.

(o)“ Surviving Spouse’s Pension” means the pension provided for in Section 2.4.

(p)“ Total Credited Service” means:

(i) all years of Credited Service (and portions thereof) as of December 31, 2004 as set forth in the Article IV of the Pension Plan, including Credited Service for years of Employment as of December 31, 2004 that are not taken into account under the Pension Plan solely due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan;

(ii) such additional years of training prior to the Participant’s Employment Commencement Date, as may have especially qualified the Participant for service with the Company, as determined by the Board of Directors, in its sole discretion, and which were awarded on or before October 3, 2004;

(iii) such additional years of service, not exceeding five (5), as may be approved by the Chief Executive Officer of Union Pacific prior to the Participant’s termination of Employment, and which were awarded on or before October 3, 2004; and

(iv) such additional years of service as may be credited to the Participant on or before December 31, 2004 pursuant to Section 2.7, 2.9, 2.10, 2.11 or 2.12.

(q)“ Total Offset Service” means (i) all years of “offset service” (including portions thereof) as of December 31, 2004 and as set forth in Article V of the Pension Plan, including years of offset service for years of Employment as of December 31, 2004 that are not taken into account under the Pension Plan solely due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan; and (ii) any additional years as credited in accordance with Section 1.3(p)(ii), (iii) or (iv).

(r)“ Union Pacific” means Union Pacific Corporation, or any successor to that corporation.

(s)“ Vesting Service” means (i) all years of Vesting Service (including portions thereof) as set forth in Article IV of the Pension Plan; and (ii) any additional years as credited in accordance with Section 1.3(p)(ii), (iii) or (iv).

(t) Except as otherwise expressly provided herein, all other capitalized terms shall have the respective meanings set forth in the definition provisions of Article II of the Pension Plan.

## ARTICLE TWO

### Amount and Payment of Pension

2.1 Normal Supplemental Pension. Subject to the provisions of Articles Three, Five and Eleven, a Participant retiring on a Normal Retirement Date under the Pension Plan (including a Participant who has become a Disabled Participant under the Pension Plan and who ceases to be such on the Normal Retirement Date) shall be entitled to receive a Normal Supplemental Pension, in the form of a single life annuity commencing on the Participant's Normal Retirement Date, equal to the excess, if any, of:

(a) the annual Accrued Benefit payable at Normal Retirement Date computed on the basis of the formula provided in Section 5.01 of the Pension Plan as of the earlier of the Participant's actual Separation from Service or December 31, 2004 (assuming the Participant had a Separation from Service on that date), determined without regard to the limitation described in Section 5.02 of the Pension Plan (determined no later than December 31, 2004), and including under such formula any amounts of Final Average Compensation that were excluded from consideration for the Participant under the Pension Plan and all Incentive Compensation payable to the Participant within the 120-calendar-month period immediately preceding the date on which the Participant ceases to be a Covered Employee (or, if earlier, December 31, 2004), and utilizing Total Credited Service up to 40 years in place of Credited Service under Article IV of the Pension Plan and Total Offset Service up to 40 years in place of "offset service" under Article V of the Pension Plan, over

(b) the annual nonforfeitable Accrued Benefit payable at Normal Retirement Date actually determined to be due under the terms of the Pension Plan, as of the earlier of the date of the Participant's Separation from Service or December 31, 2004.

For purposes of determining benefits under the Supplemental Plan (409A Grandfathered Component), any actuarial adjustments for a delay in the commencement of payment beyond the Normal Retirement Date or otherwise that apply under the Pension Plan in calculating the benefit described in (b), above, shall also apply to calculate the benefit described in (a), above. Such actuarial adjustments shall be applied in a manner that does not cause benefits due under this 409A Grandfathered Component after December 31, 2004 to become subject to section 409A of the Code.

### 2.2 Early Supplemental Pension.

(a) Participant Retires on Early Retirement Date. The following provisions apply to a Participant retiring on an Early Retirement Date under the Pension Plan on or before December 31, 2004, or who retires on an Early Retirement Date under the Pension Plan after December 31, 2004 and who was eligible to retire on an Early Retirement Date as of December 31, 2004 if he had Separated from Service on such date:

(i) Benefit Payable on Normal Retirement Date. Subject to the provisions of Articles Three, Five and Eleven, a Participant retiring on such an Early Retirement Date under the Pension Plan shall be entitled to receive a Normal Supplemental Pension in the form of a single life annuity commencing at Normal Retirement Date, computed in accordance with Section 2.1 based on Total Credited Service, Total Offset Service, etc. A Participant retiring on an Early Retirement Date shall include a Participant who has become a Disabled Participant under the Pension Plan and who ceases to be a Disabled Participant on an Early Retirement Date.



(ii) Benefit Payable on Early Retirement Date. In lieu of the benefit described in (i), above, subject to the provisions of Articles Three, Five and Eleven, such Participant may receive an Early Supplemental Pension, in the form of a single life annuity commencing at the date prior to his Normal Retirement Date on which he elects to start his pension under the Pension Plan. The Early Supplemental Pension shall be computed in the same manner as the Normal Supplemental Pension, but with the amounts described in Sections 2.1(a) and (b) adjusted for payment as of the early benefit start date in accordance with Section 6.03 of the Pension Plan, taking into account any additional years of age described in Section 1.3(c)(ii) for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a) (except as provided otherwise in Section 2.11 or 2.12).

(b) Participant Retires on Early Supplemental Pension Retirement Date. The following provisions apply to a Participant retiring on an Early Supplemental Pension Retirement Date on or before December 31, 2004, or who retires on an Early Supplemental Pension Retirement Date after December 31, 2004 and who was eligible to retire on an Early Supplemental Retirement Date as of December 31, 2004 if he had Separated from Service on such date:

(i) Participant Is Eligible to Start Pension Plan Benefit. Subject to the provisions of Articles Three, Five and Eleven, a Participant retiring on such an Early Supplemental Pension Retirement Date who is (or would have been) eligible to start a benefit under the Pension Plan upon the earlier of his retirement or December 31, 2004 may receive a Normal or Early Supplemental Pension as described in subsection (a); provided, however, that, for purposes of determining the Early Supplemental Pension as described in (a)(ii), above:

(A) the amount described in Section 2.1(a) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.03 of the Pension Plan, taking into account any additional years of age described in Section 1.3(c)(ii) for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a) (except as provided otherwise in Section 2.11 or 2.12); and

(B) the amount described in Section 2.1(b) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan.

(ii) Participant Is Not Eligible to Start Pension Plan Benefit. Subject to the provisions of Article Three, Five and Eleven, a Participant retiring on an Early Supplemental Pension Retirement Date who either is not (or would not have been) vested in or eligible to start a benefit under the Pension Plan upon the earlier of his retirement or December 31, 2004 shall receive an Early Supplemental Pension, in the form of a single life annuity commencing on the first day of the month following his Early Supplemental Pension Retirement Date, the amount of which shall be determined as follows:

(A) Prior to the earliest date, if any, that the Participant is eligible to start benefits under the Pension Plan, the Early Supplemental Pension payable under this provision shall be computed in the same manner as the Normal Supplemental Pension, except that:

(I) the amount described in Section 2.1(a) shall be adjusted for payment as of the early benefit start date as described in Section 6.03 of the Pension Plan for Pension Plan payments starting on an Early Retirement Date, taking into account any additional years of age described in Section 1.3(c)(ii) for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a) (except as provided otherwise in Section 2.11 or 2.12); and

(II) the amount described in Section 2.1(b) shall be zero for purposes of determining the Early Supplemental Pension payable prior to the earliest date, if any, on which the Participant is eligible to start benefits under the Pension Plan.

(B) On and after the earliest date, if any, that the Participant is eligible to start benefits under the Pension Plan, the Early Supplemental Pension shall equal the excess of:

(I) the amount described in Section 2.2(b)(ii)(A)(I), above, calculated as of the early benefit start date on which payments under the Supplemental Plan (409A Grandfathered Component) began, over

(II) the amount described in Section 2.1(b) reduced for early payment in accordance with Section 6.04 of the Pension Plan as of such "earliest date" whether or not the Participant's Pension Plan benefit starts on that date.

Effective for benefits starting before July 25, 2002, payments under this subparagraph (b)(ii) were made as described above unless the Administrator advised the Participant to the contrary.

2.3 Postponed Supplemental Pension. Subject to the provisions of Articles Three, Five and Eleven, a Participant who retires on a Postponed Retirement Date shall be entitled to a Postponed Supplemental Pension, in the form of a single life annuity commencing at the Postponed Retirement Date, which is equal to the Normal Supplemental Pension, computed in accordance with Section 2.1 based on his Total Credited Service, Total Offset Service, etc. as of the Participant's Postponed Retirement Date (instead of his Normal Retirement Date), or, if earlier, as of his Required Beginning Date. If a Participant's benefits begin on his Required Beginning Date and prior to his termination of Employment, the Participant's benefits shall be adjusted thereafter as described in Section 8.06 of the Pension Plan.

#### 2.4 Surviving Spouse's Pension (Post-Retirement Automatic Survivor Annuity).

(a) The Surviving Spouse of a Participant who dies while receiving a Normal or Postponed Supplemental Pension or an Early Supplemental Pension determined under Section 2.2(a) on a date that qualifies as an Early Retirement Date shall be entitled to a Surviving Spouse's Pension equal to one-half of the single life annuity amount of the Normal, Early, or Postponed Supplemental Pension payable to such deceased Participant under the Supplemental Plan (409A Grandfathered Component). Such Surviving Spouse's Pension shall be payable to such Spouse in equal monthly payments for life, commencing on the first day of the month immediately following the death of such Participant.

(b) The Surviving Spouse of a Participant who dies while receiving an Early Supplemental Pension determined under Section 2.2(b), on an Early Supplemental Pension Retirement Date (i.e., a date that does not qualify as an Early Retirement Date), shall be entitled to a Surviving Spouse's Pension. The Surviving Spouse's Pension shall be payable in equal monthly payments for the Surviving Spouse's life, commencing on the first day of the month immediately following the Participant's death, which shall equal one-half of the single life annuity amount calculated for the Participant under Section 2.2(b)(i)(A) or 2.2(b)(ii)(A)(I), as appropriate, as of the Participant's early benefit start date; provided, however, that monthly payments to the Surviving Spouse shall be reduced by any pre-retirement survivor benefit that the Surviving Spouse is entitled to receive from the Pension Plan attributable to the Participant's accrued benefit under the Pension Plan as of the earlier of the Participant's Separation from Service or December 31, 2004 from the earliest date following the Participant's death that such survivor benefit is payable from the Pension Plan, even if benefits to the Surviving Spouse have not started on that earliest date. Effective for benefits starting before July 25, 2002, payments under this subsection (b) were made as described above unless the Administrator advised the Participant and/or Surviving Spouse to the contrary.

(c) The Surviving Spouse's Pension described in this Section 2.4 is payable in addition to any other death benefit that may be payable to the Surviving Spouse or other beneficiary of the Participant under the form of payment in which the Participant's Supplemental Pension is paid pursuant to Article Three. However, except with respect to Participants who qualify for the enhancements described in Sections 2.7, 2.9, 2.10, 2.11 or 2.12, in no event shall the Surviving Spouse who is entitled to the Surviving Spouse's Pension, if also designated as the Participant's beneficiary under a joint and survivor annuity payable under the Supplemental Plan, receive a total benefit from the Supplemental Plan that is more than 100% of the retirement income otherwise payable to the Participant under the Supplemental Plan.

## 2.5 Suspension of Benefits.

(a) Date of Benefit Suspension. Notwithstanding any provisions of Article Two or Article Four to the contrary, the payment of the pension to which a Participant is otherwise entitled under the Supplemental Plan (409A Grandfathered Component) shall be suspended during any period for which payment of a pension to which such Participant may otherwise be entitled under the Pension Plan is (or would be) suspended under the terms of the Pension Plan due to such Participant's return to Employment. The pension payable to the Participant under the Supplemental Plan (409A Grandfathered Component) which has been suspended shall resume on the same date as payments to the Participant under the Pension Plan resume (or would resume if the Participant had been entitled to such a pension, or the terms of the Pension Plan as in effect on October 3, 2004 applied to the payments to the Participant under the Pension Plan).

(b) Resumption of Payments. Upon the resumption of payment of such pension hereunder to such Participant, the resumed benefits shall be recalculated taking into account any increases in the Participant's Total Credited Service, Total Offset Service, Incentive Compensation, age and so forth. However, no actuarial or other adjustment shall be made to reflect such suspension. The resumed benefit shall be offset, in a manner prescribed by the Administrator, by (i) any benefit paid during a month in which benefits should have been suspended but were not, which has not previously been repaid to the Company by the Participant, and (ii) the Actuarial Equivalent of any benefits paid prior to Normal Retirement Date.

(c) Form of Resumed Payments. The resumed payments (including any additional benefits earned during the period of suspension on or before December 31, 2004) under the Supplemental Plan (409A Grandfathered Component) shall be paid to the Participant in the same form of payment as the Participant elects for his resumed payments under the Pension Plan. If the Participant is not entitled to any benefits under the Pension Plan, the resumed payments under the Supplemental Plan (409A Grandfathered Component) shall resume in the same form of payment in effect for the Participant before payments were suspended.

2.6 Benefits for Special 1990-1992 Window Participants. Each Special 1990-1992 Window Participant (or the Surviving Spouse or other beneficiary of a Special 1990-1992 Window Participant) shall receive from the Supplemental Plan (409A Grandfathered Component) in each month the individual receives a payment from the Pension Plan prior to November 1, 1994, an amount equal to the excess of:

(a) the amount that would have been payable to the individual from the Pension Plan for that month, had the provisions of Section 6.12 (prior to 1999, Section 6.11) of the Pension Plan not applied; over

(b) the amount actually paid to the individual from the Pension Plan for that month.

2.7 Window Benefits for Highly Compensated Employees. Each Participant who was a Covered Employee under the Pension Plan, who retired under an early retirement window program described in Section 6.06, 6.07 or 6.09 of the Pension Plan but on the relevant date was excluded from participation in the Pension Plan pursuant to Section 3.01(c) of the Pension Plan or was excluded from participation in the window program due to his status as an officer, shall be deemed for all purposes under the Supplemental Plan (409A Grandfathered Component) to have the additional years of service and the additional years of age that would have been credited to the Participant under the Pension Plan pursuant to such program if Section 3.01(c) of the Pension Plan had not applied to the Participant; provided, however, that service credited pursuant to this Section shall not cause the Participant's Total Credited Service or Total Offset Service to exceed 40 years, and no Participant's deemed age shall exceed 65 years.

2.8 1991 Cost-of-Living Increase. Effective December 1, 1991, the monthly benefit payment to any person who is (a) a former employee of the Company then receiving retirement benefits under this Supplemental Plan (409A Grandfathered Component) (regardless of the employee's termination date), or (b) a beneficiary or surviving spouse then receiving death benefits under this Supplemental Plan (409A Grandfathered Component) shall be increased by the percentage shown in the following table.

<u>Participant's Benefit Start Date or Surviving Spouse's Benefit Start Date for Pre-Retirement Death Benefits</u>	<u>Increase in Supplemental Pension</u>
1978 or earlier	19%
1979	16%
1980	13%
1981	10%
1982	7%
1983	6%
1984	5%
1985	4%
1986	3%
1987	2%
1988 or later	0%

However, such increase shall only be applied to the portion, if any, of the amount being received due to participation in this Supplemental Plan (409A Grandfathered Component) that does not exceed the difference between \$108,963 per year and the amount being received by such person under the Pension Plan as increased by resolutions of the Board of Directors of Union Pacific unanimously adopted on June 27, 1974 and May 31, 1979 (before adjustment to reflect the increases effective December 1, 1991).

## 2.9 1999 Window Program.

### (a) 1999 5x5 Program.

(i) Effective July 1, 1999, the benefit enhancements described in subsection (ii) shall be provided to any Participant who is a Covered Employee under the Pension Plan who satisfies the requirements of (i)(A) and (B).

(A) The requirements of this subparagraph are satisfied by a Covered Employee:

(I) whose 1998 Compensation, as defined in Section 2.18(c) of the Pension Plan, is at least \$110,000 and whose annual salary rate as of July 1, 1999 is less than \$140,000;

(II) who is at least age 55 by July 1, 2000;

(III) whose most recent date of hire as an Employee is before June 30, 1994;

(IV) who, as of July 1, 1999, is not a loaned executive, is not on long-term disability under the Union Pacific Long-Term Disability Plan, has not previously been accepted to participate in a voluntary force reduction program, does not have an existing termination agreement in effect or is not on a leave of absence (except those granted a leave under the Family and Medical Leave Act or as an accommodation under the Americans with Disabilities Act);

(V) who agrees to terminate employment with the Company and all Affiliated Companies on the date selected by the Company, which date shall not occur after July 15, 2000, and continues to provide satisfactory service as determined by the Company until that date; and

(VI) who elects to receive the benefit enhancements described in subsection (ii) during the period beginning July 1, 1999, and ending July 31, 1999, by submission of a written election and execution of other documents, including a waiver of any and all rights or claims (other than to benefits under the Supplemental Plan (409A Grandfathered Component) or the Pension Plan) that the Employee may have against Company and any Affiliated Company, the Supplemental Plan, the Pension Plan and their officers, agents and employees, in the form and manner prescribed by the Company and does not revoke such waiver within the time prescribed by the Company.

(B) The requirements of this paragraph are satisfied by a Covered Employee who, as of May 18, 1999, is employed in one of the following departments, provided that the number of Covered Employees of such department satisfying paragraph (A) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 1998 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 do not exceed the department's numerical limit set forth below. The departments referred to below consist entirely of Union Pacific Railroad Company Covered Employees, unless indicated to the contrary.

<b>Departments</b>	<b>Departmental Limit</b>
Corporate Relations (excluding Government Affairs)	4
Engineering (excluding employees who report directly to a Regional office)	80
Finance (excluding Accounting, Real Estate and Tax)	3
Human Resources – Development & Training	5
Human Resources - Other	8
Information Technologies/Union Pacific Technologies (excluding UPT employees working exclusively on commercial business)	100
Labor Relations	24
Law (excluding Little Rock)	10
Marketing & Sales - Damage Prevention	3
Marketing & Sales - Marketing Services (including NDMC)	20

<b>Departments</b>	<b>Departmental Limit</b>
Marketing & Sales - NCSC (excluding ICSC)	13
Marketing & Sales - Agricultural Products	7
Mechanical - Car (excluding employees who report directly to a Regional office)	15
Mechanical - Locomotive (excluding employees who report to directly to a Regional office)	18
Network Design and Integration	20
Risk Management - Police	10
Risk Management - Other	21
Supply	21
Operating Support Services/Quality	6

In the event the number of Covered Employees satisfying paragraph (A) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 1998 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 exceeds a Departmental Limit, such Covered Employees shall be ranked based upon their combined age and Vesting Service (as determined under Article IV of the Pension Plan), as of July 1, 1999, and the benefit enhancements described in subsection (ii) or in the Pension Plan shall be provided to the Covered Employees with the greatest combined age and Vesting Service up to the Departmental Limit.

(ii) Each Covered Employee described in subsection (i) shall:

(A) for purposes of calculating Vesting Service, Total Credited Service and Total Offset Service and determining actuarial reductions for payments beginning before Normal Retirement Date, receive an additional 5 years of service (up to a maximum of 40 years of service) and shall be deemed to have attained an age 5 years older than his actual age (up to a maximum of age 65),

(B) be treated as having satisfied the requirements to have an Early Supplemental Pension Retirement Date if he has not satisfied the requirements to have an Early Retirement Date under the Pension Plan, and

(C) be treated as having been a Covered Employee for 60 full consecutive months for purposes of applying Section 4.02(c)(3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Plan (409A Grandfathered Component).

(b) 1999 5x5 Program II.

(i) Effective December 1, 1999, the benefit enhancements described in subsection (ii) shall be provided to any Participant who is a Covered Employee under the Pension Plan who satisfies the requirements of (i)(A) and (B).

(A) The requirements of this subparagraph are satisfied by a Covered Employee:

(I) whose 1998 Compensation, as defined in Section 2.18(c) of the Pension Plan, is at least \$110,000 and whose annual salary rate as of December 1, 1999 is less than \$140,000 (but excluding any Covered Employee in the Marketing and Sales Department whose annualized 1999 base salary is more than \$85,000);

(II) who is at least age 55 by July 1, 2000;

(III) whose most recent date of hire as an Employee is before June 30, 1994;

(IV) who, as of December 1, 1999, is not a loaned executive, is not on long-term disability under the Union Pacific Long-Term Disability Plan, has not previously been accepted to participate in a voluntary force reduction program, does not have an existing termination agreement in effect or is not on a leave of absence (except those granted a leave under the Family and Medical Leave Act or as an accommodation under the Americans with Disabilities Act);

(V) who agrees to terminate employment with the Company and all Affiliated Companies on the date selected by the Company, which date shall not occur after July 15, 2000, and continues to provide satisfactory service as determined by the Company until that date; and

(VI) who elects to receive the benefit enhancements described in subsection (ii) during the period beginning December 1, 1999, and ending December 31, 1999, by submission of a written election and execution of other documents, including a waiver of any and all rights or claims (other than to benefits under the Supplemental Plan (409A Grandfathered Component) or the Pension Plan) that the Employee may have against the Company and any Affiliated Company, the Supplemental Plan, the Pension Plan and their officers, agents and employees, in the form and manner prescribed by the Company, and does not revoke such waiver within the time prescribed by the Company.

(B) The requirements of this subparagraph are satisfied by a Covered Employee who, as of December 1, 1999, is employed in one of the following departments, provided that the number of Covered Employees of such department satisfying paragraph (A) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 1998 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 do not exceed the department's numerical limit set forth below. The departments referred to below consist entirely of Union Pacific Railroad Company Covered Employees, unless indicated to the contrary.



<b>Departments</b>	<b>Departmental Limit</b>
Western Regional Staff (excluding Service Unit staff)	5
Northern Regional Staff (excluding Service Unit staff)	19
Southern Regional Staff (excluding Service Unit staff)	5
Commissary Services	3
Information Technologies/Union Pacific Technologies (excluding UPT employees working exclusively on commercial business)	51
Marketing & Sales - Commodity Groups	11
Marketing & Sales - Marketing Services (including NDMC)	10
Supply	8

In the event the number of Covered Employees satisfying paragraph (A) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 1998 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 exceeds a Departmental Limit, such Covered Employees shall be ranked based upon their combined age and Vesting Service (as determined under Article IV of the Pension Plan), as of December 1, 1999, and the benefit enhancements described in subsection (ii) or in the Pension Plan shall be provided to the Covered Employees with the greatest combined age and Vesting Service up to the Departmental Limit.

(ii) Each Covered Employee described in subsection (a) shall:

(A) for purposes of calculating Vesting Service, Total Credited Service and Total Offset Service and determining actuarial reductions for payments beginning before Normal Retirement Date, receive an additional 5 years of service (up to a maximum of 40 years of service) and shall be deemed to have attained an age 5 years older than his actual age (up to a maximum of age 65),

(B) be treated as having satisfied the requirements to have an Early Supplemental Pension Retirement Date if he has not satisfied the requirements to have an Early Retirement Date under the Pension Plan,

(C) be treated as having been a Covered Employee for 60 full consecutive months for purposes of applying Section 4.02(c)(3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Plan (409A Grandfathered Component), and

(D) for purposes of calculating benefits payable under this Supplemental Plan (409A Grandfathered Component), have the Railroad Retirement Annuity used for his governmental offset described in Section 5.01(b) of the Pension Plan determined as if his termination of Employment occurred on December 31, 1999.

## 2.10 2000 VERP

(a) Effective April 1, 2000, the benefit enhancements described in subsection (b) shall be provided to any Participant who is a Covered Employee under the Pension Plan who satisfies the requirements of (a)(i) and (ii).

(i) The requirements of this subparagraph are satisfied by a Covered Employee:

(A) whose 1999 Compensation, as defined in Section 2.18(c) of the Pension Plan, is at least \$110,000 and whose annual salary rate as of April 1, 2000 is less than \$140,000;

(B) who is at least age 55 by December 31, 2000;

(C) whose most recent date of hire as an Employee is on or before March 31, 1995;

(D) who, as of April 1, 2000, is not a loaned executive, is not on long-term disability under the Union Pacific Long-Term Disability Plan, has not previously been accepted to participate in a voluntary force reduction program, does not have an existing termination agreement in effect or is not on a leave of absence (except those granted a leave under the Family and Medical Leave Act or as an accommodation under the Americans with Disabilities Act);

(E) who agrees to terminate employment with the Company and all Affiliated Companies on the date selected by the Company, which date shall not occur after December 31, 2000, and continues to provide satisfactory service as determined by the Company until that date; and

(F) who elects to receive the benefit enhancements described in subsection (b) during the period beginning April 1, 2000, and ending April 30, 2000, by submission of a written election and execution of other documents, including a waiver of any and all rights or claims (other than to benefits under the Supplemental Plan (409A Grandfathered Component) or the Pension Plan) that the Employee may have against the Company and any Affiliated Company, the Supplemental Plan, the Pension Plan and their officers, agents and employees, in the form and manner prescribed by the Company, and does not revoke such waiver within the time prescribed by the Company.

(ii) The requirements of this subparagraph are satisfied by a Covered Employee who, as of April 1, 2000, is employed in one of the following departments, provided that the number of Covered Employees of such department satisfying subparagraph (i) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 1999 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 do not exceed the department's numerical limit set forth below. The departments referred to below consist entirely of Union Pacific Railroad Covered Employees, unless indicated to the contrary.

<b>Department</b>	<b>Total Eligible Employees</b>	<b>Departmental Limit</b>
Network Design & Integration - Business Planning (Bulk), Service Scheduling	2	2
Network Design & Integration - Car Management	8	4
Harriman Dispatching Center - Administrative Support in Locomotive Management, Bulk Operations & Operations Support - Administration	2	1
Harriman Dispatching Center - Directors in Locomotive Management, Bulk Operations and Operations Support - Administration	2	1
Harriman Dispatching Center - Managers in Locomotive Management, Bulk Operations and Operations Support - Administration	21	8
Mechanical Department- Car - Perishables - UPFE	4	4
Risk Management - UPRR - Police	51	4

In the event the number of Covered Employees satisfying subparagraph (i) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 1999 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 exceeds a Departmental Limit, such Covered Employees shall be ranked based upon their combined age and Vesting Service (as determined under Article IV of the Pension Plan) as of April 1, 2000, and the benefit enhancements described in subsection (b) or in the Pension Plan shall be provided to the Covered Employees with the greatest combined age and Vesting Service up to the Departmental Limit.

(b) Each Covered Employee described in subsection (a) shall:

(i) for purposes of calculating Vesting Service, Total Credited Service and Total Offset Service and determining actuarial reductions for payments beginning before Normal Retirement Date, receive an additional 5 years of service (up to a maximum of 40 years of service) and shall be deemed to have attained an age 5 years older than his actual age (up to a maximum of age 65),

(ii) be treated as having satisfied the requirements to have an Early Supplemental Pension Retirement Date if he has not satisfied the requirements to have an Early Retirement Date under the Pension Plan, and

(iii) be treated as having been a Covered Employee for 60 full consecutive months for purposes of Section 4.02(c)(3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Plan (409A Grandfathered Component).

## 2.11 2001 VERP

(a) Effective March 1, 2001, the benefit enhancements described in subsection (b) shall be provided to any Participant who is a Covered Employee under the Pension Plan who satisfies the requirements of (a)(i) and (ii).

(i) The requirements of this subparagraph are satisfied by a Covered Employee:

(A) whose 2000 Compensation, as defined in Section 2.18(c) of the Pension Plan, is at least \$110,000 and whose annual salary rate as of December 31, 2000 is less than \$140,000;

(B) who is at least age 52 on or before May 1, 2001;

(C) who is an active non-agreement employee on a Band D or lower position working in one of the departments listed in subparagraph (a)(ii) as of December 31, 2000;

(D) who, as of March 1, 2001, is not a loaned executive, is not on long-term disability under the Union Pacific Long-Term Disability Plan, or is not on a leave of absence (except those granted a leave under the Family and Medical Leave Act or as an accommodation under the Americans with Disabilities Act);

(E) who agrees to terminate employment with the Company and all Affiliated Companies on the date selected by the Company, which date shall not occur after September 30, 2001, and continues to provide satisfactory service as determined by the Company until that date; and

(F) who elects to receive the benefit enhancements described in subsection (b) during the period beginning February 2, 2001, and ending March 5, 2001, by submission of a written election and execution of other documents, including a waiver of any and all rights or claims (other than to benefits under the Supplemental Plan (409A Grandfathered Component) or Pension Plan) that the Employee may have against the Company and any Affiliated Company, the Supplemental Plan, the Pension Plan and their officers, agents and employees, in the form and manner prescribed by the Company, and does not revoke such waiver within the time prescribed by the Company.

(ii) The requirements of this subparagraph are satisfied by a Covered Employee who, as of December 31, 2000, is employed in one of the following departments, and is a Covered Employee on March 1, 2001, provided that the number of Covered Employees of such department satisfying subparagraph (i) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 2000 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 do not exceed the department's numerical limit set forth below. The departments referred to below consist entirely of Union Pacific Railroad Covered Employees, unless indicated to the contrary.

<b>Department</b>	<b>Sub Group</b>	<b>Departmental Limit</b>
Corporate Relations	Communications	8
	Government Affairs - Omaha	2
Executive	Commissary	6
Finance	Accounting - Omaha (excluding VP and Contr. Staff)	6
	Accounting - St. Louis	3
	Banking & Credit	2
	Financial Analysis	1
	Planning & Analysis (excluding Bus. Dev. Planning)	3
	Real Estate - Admin.	2
	Real Estate - Contracts	3
	Real Estate - Facility Man	2
	Real Estate - Field Ops	12
	Real Estate - Ops Supp	3
	Tax	4
Human Resources	Planning & Development	8
	Administrative Staff	1
	All Other Groups	6
IT/UPT	All	211
Labor Relations	Administration	3
	Benefits	1
	Operations & Non-Ops	1
	Peer Support	1
Law	All	10
Marketing & Sales	Ag Products	3
	Autos	6
	Chemicals	6
	Customer Relations	2
	Energy - Acct. Mgt.	1

<b>Department</b>	<b>Sub Group</b>	<b>Departmental Limit</b>
	Energy - Logistics	1
	Industrial Products	12
	Interline	2
	Intermodal	6
	NCSC	10
	Revenue Information Mgt.	1
	UPDS	2
Operating	Car	15
	CMS & Timekeeping	6
	Engineering	135
	HDC (excluding Train Dispatchers)	23
	Locomotive - North Little Rock	4
	Locomotive - Oper. Regions	5
	Locomotive - All Other	9
	Operating Practices & Safety	7
	Operating Region - Northern (excluding Train Dispatchers & Metra)	--
	Telecommunications	1
	Signal	1
	All Other	46
	Operating Region - Southern (excluding Train Dispatchers)	55
	Operating Region - Western (excluding Train Dispatchers):	--
	Admin. & Train Mgt.	2
	Car	6
	Engineering - Bridge	1
	Engineering - Environmental	2
	Engineering - Signal	2
	Engineering - Track	5
	Locomotive	2

Department	Sub Group	Departmental Limit
	Region Staff	5
	Transportation	19
	Risk Mgt. - Claims & Health Services	18
	Risk Mgt. - Police (excluding Internal Placement)	1
	Support Serv. - Jt. Fac. & NRPC Op.	1
	Support Serv. - All Other	1
NDI	All	15
Supply	All	17
UPC	Corporate Audit	1

In the event the number of Covered Employees satisfying subparagraph (i) or the comparable requirements set forth in the Pension Plan for Covered Employees whose 2000 Compensation, as defined in Section 2.18(c) of the Pension Plan, is less than \$110,000 exceeds a Departmental Limit, such Covered Employees shall be ranked based upon their combined age and Vesting Service (as determined under Article IV of the Pension Plan) as of March 31, 2001, and the benefit enhancements described in subsection (b) or in the Pension Plan shall be provided to the Covered Employees with the greatest combined age and Vesting Service up to the Departmental Limit.

(b) Each Covered Employee described in subsection (a) shall:

(i) for purposes of calculating Vesting Service, Total Credited Service and Total Offset Service and determining actuarial reductions for payments beginning before Normal Retirement Date, receive an additional 10 years in the aggregate (other than for purposes of determining any actuarial reduction for payment before Normal Retirement Date for any governmental or other offset described in Section 5.01(a)(1)(C) or in Table I, Section XII, Part 1 C or D of the Pension Plan), which shall first be applied to the Covered Employee's age (up to a maximum of age 65) then to service (up to a maximum of 40 years of service),

(ii) be treated as having completed 5 years of actual Vesting Service for purposes of Sections 4.1 and 4.2, and

(iii) be treated as having been a Covered Employee for 60 full consecutive months for purposes of applying Section 4.02(c)(3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Plan (409A Grandfathered Component).

(c) Effective April 1, 2001:

(i) notwithstanding anything to the contrary in Section 2.11(a)(i)(E), but only with the consent of the Covered Employee, the termination date selected by the Company for a Covered Employee in Real Estate - Contracts, Real Estate - Field Ops, and Real Estate - Ops Supp may be any date on or before December 31, 2001.

(ii) The Departmental Limit is increased for the subgroups listed in Section 2.11(a)(ii) as set forth below:

<b>Department</b>	<b>Sub Group</b>	<b>Revised Departmental Limit</b>
Finance	Accounting - Omaha (excluding VP and Contr. Staff)	7
	Real Estate - Ops Supp	5
Human Resources	All Other Groups	8
Labor Relations	Operations & Non-Ops	2
Marketing & Sales	Ag Products	4
	Energy - Logistics	2
	Industrial Products	14
	NCSC	17
Operating	Operating Practices & Safety	11
	Signal	3
	All Other	47
	Engineering - Signal	3
	Engineering - Track	7
	Region Staff	8
	Transportation	27

To be eligible for the benefit enhancement described in Section 2.11(b), a Covered Employee must be described in Section 2.11(a)(i) and (ii) who, but for the increase in the Departmental Limit, would not have received the benefit enhancement described in 2.11(b) and who elects to receive the benefit enhancement described in Section 2.11(b) by submitting a written election during the period beginning April 2, 2001 and ending April 9, 2001.

2.12 Railroad 1996 Voluntary Early Retirement Program.

(a) Effective March 20, 1996, the benefit enhancements described in subsection (b) shall be provided to any Participant who is a Covered Employee under the Pension Plan who:



(i) is actively employed on March 20, 1996 by: (A) Union Pacific Railroad Company ("Railroad"); (B) Union Pacific Motor Freight Company ("Motor Freight"); (C) Union Pacific Technologies Transportation System, Inc. ("UPTTS") or Union Pacific Distribution Services Company ("UPDS") (collectively, the "VERP Companies");

(ii) is not a Grade 28 or above on March 20, 1996;

(iii) is not on terminal vacation or on a leave of absence (other than one required by the Family and Medical Leave Act of 1993) on March 20, 1996;

(iv) is not a loaned executive, in a temporary position or in the internal placement program on March 20, 1996;

(v) has not previously been accepted to participate in a voluntary force reduction program;

(vi) does not have an existing termination agreement in effect with the VERP Companies;

(vii) is employed on March 20, 1996: (A) in Omaha, Nebraska by the Railroad's Information Technologies Department or Marketing and Sales Department; (B) in Omaha, Nebraska by UPTTS; (C) in Omaha, Nebraska by UPDS, or (D) by Union Pacific Motor Freight Company;

(viii) had at least 10 years of Vesting Service under the Pension Plan as of March 20, 1996 and will attain the age of at least 52 by July 1, 1996;

(ix) had total pay in 1995 as reported on Form W-2, plus amounts not included in taxable income due to a salary deferral election made pursuant to the terms of a qualified cash or deferred arrangement (within the meaning of section 401(k) of the Code) or a cafeteria plan (within the meaning of section 125 of the Code) maintained by the Employer of \$125,000 or more;

(x) elects not earlier than March 20, 1996 and not later than April 20, 1996 by submission of a written election in the form and manner prescribed by the Administrator to retire and terminate Employment with the benefit enhancements described in this Section; and

(xi) remains actively employed by the VERP Companies through the date communicated to the Covered Employee in writing on or before March 20, 1996, which date shall not thereafter be changed for any reason and shall not be earlier than May 1, 1996 nor later than April 30, 1997, except that the dates for the Railroad's Information Technologies Department are July 1, 1996 and June 30, 1997, respectively.

(b) Each Covered Employee described in subsection (a) shall:

(i) for purposes of calculating Vesting Service, Total Credited Service and Total Offset Service and determining actuarial reductions for payments beginning before Normal Retirement Date, receive an additional 10 years in the aggregate (other than for purposes of determining any actuarial reduction for payment before Normal Retirement Date for any governmental or other offset described in Section 5.01(a)(1)(C) or in Table I, Section XII, Part 1 C or D of the Pension Plan), which shall first be applied to the Covered Employee's age (up to a maximum of age 65) then to service (up to a maximum of 40 years of service);

(ii) be treated as having satisfied the requirements to have an Early Supplemental Pension Retirement Date if he has not satisfied the requirements to have an Early Retirement Date under the Pension Plan; and

(iii) be treated as having been a Covered Employee for 60 full consecutive months for purposes of applying Section 4.02(c)(3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Plan (409A Grandfathered Component).

## ARTICLE THREE

### Manner of Payment

3.1 Payments For Retirements Under Section 2.1, 2.2(a), 2.2(b)(i) and 2.3. Except as provided in Section 3.3, if (a) a Participant retires on a Normal Retirement Date, an Early Retirement Date, an Early Supplemental Pension Retirement Date, or a Postponed Retirement Date under Section 2.1, 2.2(a), 2.2(b)(i) or 2.3, and (b) at retirement is eligible to start both a Supplemental Pension under Article Two of this Supplemental Plan (409A Grandfathered Component) and a pension under the Pension Plan, payment of the Supplemental Pension shall begin on the date the Participant's Pension Plan benefits begin pursuant to his election under the Pension Plan (and not earlier or later). In addition, the Supplemental Pension shall be paid in the same form, and shall be subject to the same adjustment for form of payment and the same Beneficiary designation, as apply to the Participant's Pension Plan benefit; provided, however, that in the event the Participant is eligible for and elects a level income option under the Pension Plan, the Supplemental Pension shall be paid as a single life annuity.

3.2 Payments For Retirements Under Section 2.2(b)(ii). Except as provided in Section 3.3, if a Participant retires on an Early Supplemental Pension Retirement Date, and at retirement either is not vested in or is not eligible to start a pension under the Pension Plan, payment of his Supplemental Pension shall begin on the first day of the month next following the Participant's Early Supplemental Pension Retirement Date. The Participant's Supplemental Pension will be paid in the form of a single life annuity. The Participant is not eligible to elect payment of his Supplemental Pension in any other form.

3.3 Payments Starting Before July 25, 2002. Effective for benefits starting before July 25, 2002, the Administrator may have permitted a Participant described in Section 3.1 or 3.2 who was retiring on an Early Supplemental Pension Retirement Date that did not qualify as an Early Retirement Date under the Pension Plan to elect, in the manner prescribed by the Administrator, to receive payment of his Supplemental Pension in any form of payment described in Article VIII of the Pension Plan that would have been available to the Participant had he retired on an Early Retirement Date under the Pension Plan. If the Participant was permitted to and elected a form of payment other than a single life annuity, the Supplemental Pension payments are actuarially adjusted for the form of payment elected by the Participant, as determined by the Administrator, using factors for that purpose set forth in the Pension Plan.

## ARTICLE FOUR

### Vesting

#### 4.1 Termination Prior to Vesting.

(a) A Participant who is not eligible to retire on an Early or Normal Retirement Date on or before December 31, 2004 shall not be entitled to any benefit under this Supplemental Plan (409A Grandfathered Component), unless:

(i) the Participant's Employment terminates before April 27, 1989, and after the completion of 10 years of Vesting Service (including within such Vesting Service not less than 5 years of actual Vesting Service under the Pension Plan); or

(ii) except as provided in Section 2.11(b)(ii) or Article Five, a Participant completes 5 years of actual Vesting Service under the Pension Plan (treating as actual service for this purpose, service described in Section 1.3(p)(ii)) as of the earlier of the date the Participant's Employment terminates or December 31, 2004; provided, however, that the Chief Executive Officer of Union Pacific may reduce the required years of actual Vesting Service to 3 if the Chief Executive Officer of Union Pacific determines that such change would not be disadvantageous to the Company in the case of any Participant. The Chief Executive Officer of Union Pacific shall make such determination by the earlier of the date the Participant terminates Employment or October 3, 2004.

4.2 Termination After Vesting. Except as provided in Section 2.11(b)(ii) or 4.4 or Articles Five and Eleven, a Participant not eligible to retire on an Early or Normal Retirement Date on or before December 31, 2004 who is entitled to a benefit under this Supplemental Plan (409A Grandfathered Component) under Section 4.1 shall be entitled to receive, commencing on the Participant's Normal Retirement Date, the Normal Supplemental Pension computed under Section 2.1 as of the date the Participant terminated Employment or ceased to be a Disabled Participant. In lieu thereof, such Participant shall receive a Supplemental Pension commencing on the earliest of:

(i) any date prior to the Participant's Normal Retirement Date on which the Participant starts his benefit payments from the Pension Plan;

(ii) in the case of a Participant who is credited with additional years of age described in Section 1.3(c)(ii) and, as a result, would be deemed to reach age 55 and become eligible to start his Supplemental Plan (409A Grandfathered Component) benefits earlier than his Pension Plan benefits, the first day of the month following the later of (A) the Participant's termination of Employment, or (B) the Participant's 55th birthday (determined taking into account additional years of age described in Section 1.3(c)(ii)); or

(iii) in the case of a Participant who is not vested under the Pension Plan, the first day of the month following the later of (A) the Participant's termination of Employment, or (B) the Participant's 55th birthday (determined taking into account additional years of age described in Section 1.3(c)(ii)), or the first day of any month thereafter that is prior to the Participant's Normal Retirement Date on which the Participant elects to start payment of his Supplemental Pension.

The election described in (iii) must be made in writing, in a form prescribed by the Administrator, at least six (6) months before, and in the tax year of the Participant immediately preceding, the elected benefit start date. Any Supplemental Pension paid to the Participant commencing prior to Normal Retirement Date shall equal (I) the amount described in Section 2.1(a) adjusted for early payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (taking into account any additional years of age described in Section 1.3(c)(ii) for purposes of adjusting both the gross and offset portions of the benefit except as provided otherwise in Section 2.11), reduced by (II) the amount described in Section 2.1(b), if any, adjusted for payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan. Notwithstanding the preceding sentence, if the Participant's Supplemental Pension begins prior to his Pension Plan benefit, the reduction described in (II) shall be calculated and apply beginning on the earliest date benefits are payable to the Participant under the Pension Plan, even if the Participant's Pension Plan benefits do not actually start on that earliest date.

#### 4.3 Form of Vested Benefit.

(a) Benefits Payable Under Supplemental Plan (409A Grandfathered Component) and Pension Plan. Except as provided in Section 4.4, if a Participant is entitled to benefits under both the Supplemental Plan (409A Grandfathered Component) and the Pension Plan and benefits under both Plans start on the same date, the Supplemental Pension determined under Section 4.2 shall be paid in the same form, and shall be subject to the same adjustment for form of payment and the same Beneficiary designation, as apply to the Participant's Pension Plan benefit. The Participant's Supplemental Pension determined under Section 4.2 shall be adjusted for form of payment, as appropriate, pursuant to Article VIII of the Pension Plan. If, however, such Participant's Supplemental Plan (409A Grandfathered Component) benefit starts before his Pension Plan benefit, the Participant's Supplemental Pension will be paid in the form of a single life annuity.

(b) No Benefits Payable Under Pension Plan. Except as provided in Section 4.4, in the event a Participant is entitled to a benefit from the Supplemental Plan (409A Grandfathered Component) but is not vested in a benefit under the Pension Plan, the Participant shall receive payment of his Supplemental Pension determined under Section 4.2 in the automatic form of payment described in Section 8.02 of the Pension Plan that would have applied to the Participant had he been eligible for and started payment under the Pension Plan on the same day. The Participant's Supplemental Pension determined under Section 4.2 shall be adjusted for form of payment, as appropriate, pursuant to Article VIII of the Pension Plan.

4.4 Payments Starting Before July 25, 2002. The rules set forth in Sections 4.2 and 4.3, above, applied to Supplemental Plan (409A Grandfathered Component) benefits starting before July 25, 2002, unless the Administrator advised the Participant to the contrary.

## ARTICLE FIVE

### Certain Employee Transfers

5.1 Transfers into Supplemental Plan from Resources Supplemental Plan. If any employee who is a participant in the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates is transferred on or before October 15, 1996 to the Company and becomes a Participant after such transfer, such employee shall retain no rights in the other supplemental pension plan and shall receive all benefits to which entitled under this Supplemental Plan (409A Grandfathered Component), based upon Total Credited Service and Total Offset Service which shall include, as to such employee, any service which would have been used in determining the Participant's benefits under such other supplemental pension plan.

5.2 Transfers to Resources Supplemental Plan. If a Participant is transferred on or before October 15, 1996 to an Affiliated Company participating in the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates and becomes a participant in the supplemental pension plan of the Affiliated Company after such transfer, such former Participant shall retain no rights in this Supplemental Plan if such other supplemental pension plan has provisions that substantially conform to the transfer provisions for the protection of transferees that are contained in Section 5.1.

5.3 No Duplication of Benefits. There shall under no circumstances be any duplication of benefits under this Supplemental Plan or any supplemental pension plan of an Affiliated Company or former Affiliated Company by reason of the same period of employment.

**ARTICLE SIX**

**Pre-Retirement Survivor's Benefit**

6.1 Eligibility. The Surviving Spouse of a Participant who either (a) terminates Employment or ceases to be a Disabled Participant due to death, or (b) (i) terminates Employment other than due to death after becoming entitled to a Supplemental Pension under Article Two or Article Four, and (ii) dies prior to the commencement of payment of the Supplemental Pension shall receive the benefit determined pursuant to Section 6.2.

6.2 Surviving Spouse's Benefit.

(a) Subsidized Death Benefits.

(i) Except as provided in subsection (ii) or Section 6.4, the benefit payable to the Surviving Spouse of a Participant described in Section 6.1 who dies:

(A) on or after January 1, 1994 while a Disabled Participant, but before Early or Normal Retirement Date under the terms of the Pension Plan;

(B) on or after the Effective Date during Employment, but before Early or Normal Retirement Date under the terms of the Pension Plan;

(C) on or after the Effective Date during Employment, but after Early or Normal Retirement Date under the terms of the Pension Plan; or

(D) on or after the Effective Date after terminating Employment or ceasing to be a Disabled Participant, provided that such termination or cessation occurred after Early or Normal Retirement Date under the terms of the Pension Plan; and provided further that such Early or Normal Retirement Date occurs on or before December 31, 2004

shall be a monthly annuity payable for the Surviving Spouse's life. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension such Participant would have received (assuming, for a Participant described in Section 6.1(a), the Participant had vested) in the form of a single life annuity (in the form of a Qualified Joint and Survivor Annuity for a Participant described in (B) whose death occurs prior to 1994), if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3. Notwithstanding anything in the Supplemental Plan (409A Grandfathered Component) to the contrary, the Surviving Spouse's benefit with respect to a Participant described in (A) or (B), above, shall be determined by applying, for purposes of any adjustment for payment prior to Normal Retirement Date, the early retirement reduction factors of Section 6.03 of the Pension Plan.

(ii) Except as provided in Section 6.4, the benefit payable to the Surviving Spouse of a Participant described in Section 6.1, who dies other than under circumstances described in Section 6.2(a)(i) but after becoming eligible for an Early Supplemental Pension under Section 2.2 based on an Early Supplemental Pension Retirement Date or who dies under circumstances described in Section 6.2(a)(i) but is described in Section 6.3(b), shall be an annuity payable for the Surviving Spouse's life calculated as follows:

(A) In the case of a Participant who is entitled to both a pension under the Supplemental Plan (409A Grandfathered Component) and a pension under the Pension Plan, monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension in the form of a single life annuity calculated for the Participant as described in Section 2.2(b)(i)(A) as if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3, reduced by any survivor benefit that the Surviving Spouse is entitled to receive from the Pension Plan (attributable to the Participant's accrued benefit under the Pension Plan as of the earlier of the date of the Participant's Separation from Service or December 31, 2004) from the earliest date on or following the date payments begin to the Surviving Spouse that such survivor benefit is payable from the Pension Plan (whether or not such survivor benefit begins on the earliest date under the Pension Plan).

(B) In the case of a Participant who is entitled to a pension under the Supplemental Plan (409A Grandfathered Component) but is not vested in a pension under the Pension Plan, monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension in the form of a single life annuity calculated for the Participant as described in Section 2.2(b)(ii)(A)(I) as if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3.

(b) Non-Subsidized Death Benefits. Except as provided in Section 6.4, the benefit payable to the Surviving Spouse of a Participant described in Section 6.1 who dies under circumstances other than those described in Section 6.2(a) shall be an annuity payable for the Surviving Spouse's life with monthly payments equal to:

(i) Prior to the earliest date, if any, on which the Surviving Spouse is eligible to start any survivor benefit payable under the Pension Plan, 50% of the monthly Supplemental Pension the Participant would have received in the form of a Qualified Joint and Survivor Annuity determined as if the Participant is not entitled to a pension under the Pension Plan if the Participant had survived (and accrued no additional benefits after his death) and started his Supplemental Pension on the date Supplemental Plan (409A Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3; and

(ii) On or after the earliest date, if any, on which the Surviving Spouse is eligible to start any survivor benefit payable under the Pension Plan, the amount described in (i), above, reduced by any survivor benefit that the Surviving Spouse is entitled to receive from the Pension Plan attributable to the Participant's accrued benefit under the Pension Plan as of the earlier of the Participant's Separation from Service or December 31, 2004 beginning on such earliest date (whether or not such survivor benefit begins on the earliest date under the Pension Plan).



6.3 Timing of Surviving Spouse's Benefit. Except as provided in Section 6.4, the benefit to which a Surviving Spouse of a Participant shall be entitled pursuant to Section 6.2(a) or (b) shall be paid monthly to such Surviving Spouse, commencing as of the date such Surviving Spouse elects, or is required to, start payment of any benefit to which the Surviving Spouse is entitled under the Pension Plan. Notwithstanding the preceding sentence:

(a) if the Surviving Spouse is not entitled to any payment from the Pension Plan, the Surviving Spouse shall receive payment of any Supplemental Pension to which the Surviving Spouse is entitled under Section 6.2 beginning as of the later of (i) the first of the month following the Participant's 55th birthday (determined taking into account any additional years of age described in Section 1.3(c)(ii)), or (ii) the first of the month following the date of the Participant's death.

(b) if the deceased Participant would have been entitled or required to start his Supplemental Plan (409A Grandfathered Component) benefit on an earlier date than the Participant would have been entitled to start his Pension Plan benefit had he survived, the Surviving Spouse shall receive payment of any Supplemental Pension to which the Surviving Spouse is entitled under Section 6.2 beginning as of the later of (i) the earliest date as of which the Participant would have been eligible or required to start payments pursuant to Article Two, Three or Four, as appropriate, or (ii) the first of the month following the date of the Participant's death.

Payments to the Surviving Spouse shall end with the payment made for the month in which the Surviving Spouse dies.

6.4 Payments Starting Before July 25, 2002. The rules for pre-retirement death benefits set forth in Sections 6.2 and 6.3, above, applied to Supplemental Plan (409A Grandfathered Component) pre-retirement death benefits starting before July 25, 2002, unless the Administrator advised the Participant and/or Surviving Spouse to the contrary.

## **ARTICLE SEVEN**

### **Funding**

7.1 Funding. The Company's obligations hereunder shall constitute a general, unsecured obligation of the Company payable solely out of its general assets, and no Participant or former Participant shall have any right to any specific assets of the Company. To the extent that any Participant or former Participant acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. The Board of Directors of Union Pacific may, but shall not be required to, authorize Union Pacific to establish a trust to hold assets to be used to discharge the Company's obligations hereunder, provided that such trust shall not confer upon Participants or former Participants any rights other than the rights of unsecured general creditors of the Company.

7.2 Payment to James Otto. On or about December 1, 2000, James Otto was paid in a single sum the actuarial equivalent value of the portion of his Supplemental Pension, payable in the form of a 50% joint and survivor annuity with his spouse as beneficiary, that was not funded through annuity purchases. Such single sum payment of \$501.40 was in full settlement of the Supplemental Plan's obligation to pay such remaining benefit to James Otto or his Surviving Spouse or other beneficiary.

## ARTICLE EIGHT

### Administration

8.1 Responsibilities and Powers of Administrator. Except for the responsibilities and powers elsewhere herein given specifically to the Board of Directors of Union Pacific, the Administrator shall have all responsibilities for the operation and administration of the Supplemental Plan and shall have all powers and discretionary authority necessary to carry out those responsibilities hereunder. Without limiting the generality of the foregoing, the Administrator shall have full power and discretionary authority to:

(a) keep and maintain such accounts and records with respect to Participants, former Participants and Special 1990-1992 Window Participants as are deemed necessary or proper;

(b) determine all questions of the eligibility for participation and benefits and of the status and rights of Participants, former Participants, Special 1990-1992 Window Participants and any other person hereunder, make all required factual determinations, interpret and construe the Supplemental Plan in connection therewith and correct defects, resolve ambiguities therein and supply omissions thereto;

(c) adopt from time to time mortality and other tables and interest rates upon which all actuarial calculations shall be based, including the determination of the appropriate factors for the adjustment of pension payments; and

(d) adopt from time to time rules and regulations governing this Supplemental Plan.

The Administrator shall carry out all responsibilities and exercise all powers in accordance with the terms of the Supplemental Plan. The determination of the Administrator as to any questions involving the responsibilities hereunder shall be final, conclusive and binding on all persons.

8.2 Certification and Payment of Benefits. The Administrator shall compute the amount and manner of payment of benefits to which the Participants, Special 1990-1992 Window Participants, former or retired Participants, Surviving Spouses and beneficiaries become entitled. All payments of benefits shall be made directly by the Company upon the instructions of the Administrator.

8.3 Reports to Board of Directors. As the Administrator deems necessary or proper or as the Board of Directors of Union Pacific may require, but in any event at least once during each calendar year, the Administrator shall report to such Board on the operation and administration of the Supplemental Plan and on any other matter concerning the Supplemental Plan deemed advisable or required by such Board.

8.4 Designation and Delegation. The Administrator may designate other persons to carry out such of the responsibilities hereunder for the operating and administration of the Supplemental Plan as the Administrator deems advisable and delegate to the persons so designated such of the powers as the Administrator deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Administrator deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Administrator shall have the same force and effect for all purposes as if such action or determinations had been made or taken by the Administrator.

8.5 Outside Services. The Administrator may engage counsel and such clerical, medical, financial, actuarial, accounting and other specialized services as is deemed necessary or desirable for the operation and administration of the Supplemental Plan. The Administrator and persons so designated shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.

8.6 Expenses. All expenses, including any fees for outside services under Section 8.5, incurred by the Administrator and by persons designated by the Administrator under Section 8.4 in the operation and administration of the Supplemental Plan shall be paid by the Company. Neither the Administrator nor any other person who is an employee of the Company or an Affiliated Company shall receive any compensation solely for services in carrying out any responsibility hereunder.

8.7 Bonding. No bond or other security shall be required of the Administrator or of any person designated under Section 8.4.

8.8 Liability. The Administrator and persons designated by him under Section 8.4 shall use ordinary care and diligence in the performance of their duties. The Company shall indemnify and defend the Administrator and each other person so designated under Section 8.4 against any and all claims, loss, damages, expense (including reasonable counsel fees), and liability arising from any action or failure to act or other conduct in their official capacity, except when the same is due to the gross negligence or willful misconduct of the Administrator or other persons.

8.9 Finality of Actions. Any action required of Union Pacific, the Company, the Board of Directors of Union Pacific, or the Chief Executive Officer of Union Pacific (the "CEO") under this Supplemental Plan, or made by the Administrator acting on their behalf, shall be made in the Company's, the Board's or the CEO's sole discretion, not in a fiduciary capacity and need not be uniformly applied to similarly situated persons. Any such action shall be final, conclusive and binding on all persons interested in the Supplemental Plan.

## ARTICLE NINE

### Amendment or Termination

9.1 Amendment or Termination. The Board of Directors of Union Pacific, acting by written resolution, reserves the right to modify, alter, amend or terminate the Supplemental Plan from time to time and to modify, withdraw or terminate the Supplemental Plan, to any extent that it may deem advisable; provided, that no such modification, alteration, amendment or termination shall impair any rights which have accrued to Participants hereunder to the date of such modification, alteration, amendment or termination. Notwithstanding the foregoing, the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or Union Pacific with similar authority, may make all technical, administrative, regulatory and compliance amendments to the Supplemental Plan, and any other amendment that will not significantly increase the cost of the Supplemental Plan to the Company, as he or she shall deem necessary or appropriate. This Supplemental Plan (409A Grandfathered Component) is intended to be exempt from the requirements of Section 409A, based on the grandfathering provisions set forth in section 1.409A-6 of the Treasury Regulations. Such grandfathered status is predicated, in part, on the basis that the terms and conditions of this Supplemental Plan (409A Grandfathering Component) have not been materially modified on or after October 3, 2004.

## ARTICLE TEN

### General Provisions

10.1 Certain Rights Reserved. Nothing herein contained shall confer upon any Employee or other person the right (a) to continue in Employment or service of the Company or affect any right that the Company may have to terminate the Employment or service of (or to demote or to exclude from future participation in the Supplemental Plan) any such Employee or other person at any time for any reason, (b) to participate in the Supplemental Plan, or (c) to receive an annual base salary of any particular amount.

10.2 Alienability of Benefits.

(a) This section 10.2(a) is effective with respect to a domestic relations order directed to the Supplemental Plan (409A Grandfathered Component) which is determined to be an Approved DRO (as defined below) on or after November 5, 2015.

(1) Payments under the Supplemental Plan may not be assigned, transferred, pledged or hypothecated, and to the extent permitted by law, no such payments shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same. Compliance with the provisions and conditions of any domestic relations order assigning a portion of a Participant's benefit to an alternate payee (as defined in Section 414(p)(8) of the Code) ("Alternate Payee") relating to an individual's Supplemental Plan benefits, which the Administrator (i) has determined is a lawful order of a domestic relations court and (ii) has approved as consistent with the terms of the Supplemental Plan (an "Approved DRO"), shall not be considered a violation of this provision.

(2) An Approved DRO must identify the Alternate Payee and this Supplemental Pension Plan (409A Grandfathered Component) as the plan to which the DRO applies, describe the amount payable to the Alternate Payee (or the formula by which such amount may be determined), must not require the Supplemental Plan (409A Grandfathered Component) to provide increased benefits (determined on the basis of actuarial value) nor require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee in accordance with another previously Approved DRO, and must conform to the following additional requirements:

(A) an Approved DRO must, with respect to the timing and form of benefit payment(s), (1) if no DRO is directed with respect to the Participant's benefit under the Pension Plan, provide for a designated or ascertainable percentage or dollar amount of the Participant's periodic benefit to be paid as, when and if payable to the Participant from the Supplemental Pension Plan (409A Grandfathered Component) (a "stream of payments formula"), and (2) if a DRO is directed with respect to both the Participant's benefit under the Pension Plan and the Participant's benefit under this Supplemental Plan (409A Grandfathered Component), provide for a stream of payments formula, or, if such a DRO assigns to the Alternate Payee a separate interest with respect to a portion of the Participant's Pension Plan benefit and a separate interest with respect to a portion of the Participant's benefit under this Supplemental Plan (409A Grandfathered Component), provide for payment beginning at the same time, and in the same form, as the Alternate Payee's separate interest under the Pension Plan is payable;

(B) under no circumstances may any benefit under an Approved DRO be payable before such time as the Administrator is able to determine the amount payable to the Alternate payee and the time and form of payment; and

(C) an Approved DRO that provides for a stream of payments formula may designate and identify a contingent Alternate Payee to receive any remaining payments due under the terms of an Approved DRO following the death of the initial Alternate Payee, but only if such contingent Alternate Payee is the spouse, former spouse, child or other dependent of the Participant.

(b) Prior to November 5, 2015, this Section 10.2 read as follows: Payments under the Supplemental Plan may not be assigned, transferred, pledged or hypothecated, and to the extent permitted by law, no such payments shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same. Effective on and after July 25, 2002, compliance with the provisions and conditions of any domestic relations order relating to an individual's Supplemental Plan benefits, which the Administrator has determined must be complied with under the terms of applicable law, shall not be considered a violation of this provision.

10.3 Payment Due an Incompetent. If it shall be found that any person to whom a payment is due hereunder is unable to care for that person's affairs because of physical or mental disability, as determined by a licensed physician, the Administrator shall have the authority to cause the payments becoming due such person to be made to the legally appointed guardian of any such person or to the spouse, brother, sister, or other person as it shall determine. Payments made pursuant to such power shall operate as a complete discharge of the Company's obligations.

10.4 Governing Law. The Supplemental Plan shall be construed and enforced in accordance with the laws of the State of Nebraska (without regard to the legislative or judicial conflict of laws rules of any state), except to the extent superseded by any federal law.

10.5 Successors. This Supplemental Plan shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidated or otherwise) to all or substantially all of the business and/or assets of the Company in the same manner and to the same extent that the Company would be bound to perform if no such succession had taken place.

10.6 Titles and Headings Not To Control. The titles and Articles of the Supplemental Plan and the headings of Sections and subsections of the Supplemental Plan are placed herein for convenience of reference only and, as such, shall have no force and effect in the interpretation of the Supplemental Plan.

10.7 Severability. If any provisions of the Supplemental Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part, the unlawfulness, invalidity, or unenforceability shall not affect any provision of the Plan or part thereof, each of which shall remain in full force and effect.

10.8 Determination and Withholding of Taxes. The Administrator shall have full authority to satisfy the responsibility of Union Pacific or any Affiliated Company to withhold taxes with respect to a Participant or former Participant, including FICA taxes, by withholding such taxes from any distributions under the Plan to the Participant or former Participant or his beneficiary or estate. The Administrator shall also have full authority, with or without the consent of the Participant or former Participant, to withhold from the individual's compensation from any and all sources, any FICA or other taxes applicable to benefits accrued under the Supplemental Plan.

## **ARTICLE ELEVEN**

### **Transfers to Non-Covered Employment**

11.1 Notwithstanding any other provision of this Supplemental Plan (409A Grandfathered Component) to the contrary, if a Participant is transferred on or before December 31, 2004 to the employment of an Affiliated Company that has not adopted the Supplemental Plan (409A Grandfathered Component) (“non-covered employment”), upon the approval of the Chief Executive Officer of Union Pacific, any benefits to which such Participant (or his Surviving Spouse or other beneficiary) would be entitled under the Pension Plan, the Supplemental Plan (409A Grandfathered Component), or both, by treating such Participant’s non-covered employment that occurred on or before December 31, 2004 as if it were service covered by such Plans and by aggregating such service with the Participant’s other service covered by the Plans, shall be provided to the Participant under this Section 11.1 to the extent that such benefits exceed the aggregate of (a) the Participant’s benefits under the Pension Plan, (b) the Participant’s benefits under the Supplemental Plan (409A Grandfathered Component) determined without regard to this Section 11.1, and (c) the Participant’s benefits under any pension plan of the Affiliated Company that are based on the Participant’s non-covered employment and/or employment otherwise covered by the Pension and Supplemental Plans.

## ARTICLE TWELVE

### Claims Procedure

12.1 Application for Benefits. Each Participant, former Participant, Special 1990-1992 Window Participant, Surviving Spouse or other beneficiary, or alternate payee under a domestic relations order believing himself or herself eligible for a benefit under this Supplemental Plan shall apply for such benefit by completing and filing with the Administrator an application for benefits on a form supplied by the Administrator.

12.2 Claims Before January 1, 2002. The following provisions are effective prior to January 1, 2002: In the event that any claim for benefits is denied in whole or in part, the person whose claim has been so denied shall be notified of such denial in writing by the Administrator. The notice advising of the denial shall specify the reason or reasons for denial, make specific reference to pertinent provisions of the Supplemental Plan, describe any additional material or information necessary for the claimant to perfect the claim (explaining why such material or information is needed), and shall advise the claimant of the procedure for the appeal of such denial. All appeals shall be made by the following procedure:

(a) The person whose claim has been denied shall file with the Administrator a notice of desire to appeal the denial. Such notice shall be filed within 60 days of notification by the Administrator of claim denial, shall be made in writing, and shall set forth all of the facts upon which the appeal is based. Appeals not timely filed shall be barred.

(b) The Administrator shall consider the merits of the claimant's written presentations, the merits of any facts or evidence in support of the denial of benefits, and such other facts and circumstances as the Administrator shall deem relevant.

(c) The Administrator shall ordinarily render a determination upon the appealed claim within 60 days after receipt which determination shall be accompanied by a written statement as to the reasons therefor. However, in special circumstances the Administrator may extend the response period for up to an additional 60 days, in which event it shall notify the claimant in writing prior to commencement of the extension. The determination so rendered shall be binding upon all parties.

12.3 Claims On or After January 1, 2002. The following provisions are effective on and after January 1, 2002:

(a) Claim for Benefits. A claim for Supplemental Plan benefits may be filed by:

(i) any person (or his duly authorized representative) who has applied for and/or received benefits from the Supplemental Plan pursuant to Section 12.1 and who believes that the amount and/or form of benefits provided (including no benefits) or any change in or termination or reduction of benefits previously provided results in a denial of benefits to which he is entitled for any reason (whether under the terms of the Supplemental Plan or by reason of any provision of law); or



(ii) any Employee or other individual (or his duly authorized representative) who believes himself to be entitled to benefits from the Supplemental Plan.

A claim for benefits must be filed with the Administrator, in writing and in accordance with such other requirements as may be prescribed by the Administrator. Any claim shall be processed as follows:

(A) When a claim for benefits has been filed by the claimant (or his duly authorized representative), such claim for benefits shall be evaluated and the claimant shall be notified by the Administrator of the approval or denial within a reasonable period of time, but not later than 90 days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period and shall specify the special circumstances requiring an extension and the date by which a final decision will be reached (which date shall not be later than 180 days after the date on which the claim was received).

(B) A claimant shall be given written notice in which the claimant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied, in whole or in part, the claimant shall be given written notice which shall contain (I) the specific reasons for the denial, (II) references to the specific Supplemental Plan provisions upon which the denial is based, (III) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, (IV) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, (V) the claimant's rights to seek review of the denial and time limits and other aspects of the Supplemental Plan's claim review procedures, and (VI) a statement of the claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination upon review.

(b) Review of Claim Denial. If a claim for benefits is denied, in whole or in part, the claimant (or his duly authorized representative) shall have the right to request that the Administrator review the denial, provided that the claimant files in accordance with such requirements as may be prescribed by the Administrator a written request for review with the Administrator within 60 days after the date on which the claimant received written notification of the denial. A claimant (or his duly authorized representative) may review relevant documents, records and other information relevant to the claim (or receive copies free of charge) and may submit to the Administrator with the written request for review documents, records, written comments and other information relevant to the claim for benefits, which shall be considered upon review whether or not such information and other items were available when the claim was originally determined. Requests for review not timely filed shall be barred. A timely request for claim review shall be processed as follows:

(i) Within a reasonable period of time, but not later than 60 days after a request for review is received, the review shall be made and the claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review. If an extension is needed, the claimant shall be given a written notification within such initial 60-day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within 120 days after the date on which the request for review was filed). However, if the period for deciding the claim has been extended under this paragraph (i) due to a claimant's failure to provide information necessary to decide a claim, the period for making a decision on review shall be tolled from the date the claimant is sent written notice of the extension until the date on which the claimant responds to the request for information (or such earlier date as may be prescribed by the Administrator in accordance with applicable law and regulations).

(ii) The decision on review shall be forwarded to the claimant in writing and shall include (A) specific reasons for the decision, (B) references to the specific Plan provisions upon which the decision is based, (C) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and (D) a statement of the claimant's right to bring an action under ERISA section 502(a). A decision on review shall be final and binding on all persons for all purposes.

(c) Exhaustion of Claims Review Process. A claimant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his rights to review under this Section 12.3.

12.4 Claims Related to Corrections Under Pension Plan Compliance Statement. Notwithstanding any provision of the Supplemental Plan to the contrary, any individual whose Supplemental Plan benefit is recalculated or adjusted in connections with corrections made under the Compliance Statement dated October 25, 2001 (that was issued for the Pension Plan under the Internal Revenue Service Voluntary Compliance Resolution Program) and who believes that such recalculation and/or adjustment results in a denial of benefits to which he is entitled for any reason (whether under the terms of the Supplemental Plan or by reason of any provision of law) may file a claim with the Administrator, in writing, stating the reasons he disagrees with such recalculation and/or adjustment and providing proof of any service, compensation or other facts that he believes should be taken into account. In order to be considered by the Supplemental Plan, such written claim and proof must be received by the Administrator by the date specified in the written notice of such recalculation and/or adjustment that is sent by the Administrator (or his delegate), by first class mail, to the person's address reflected in Supplemental Plan records on the date of the mailing. The deadline for filing a claim under this Section 12.4 that is specified in the written notice from the Administrator shall be a date not earlier than 90 days after the date such notice is mailed to the person. Any claim described in this Section 12.4 that is not received by the date specified in the written notice of recalculation and/or adjustment shall be denied on the grounds that it is untimely.

**SUPPLEMENTAL PENSION PLAN  
(409A NON-GRANDFATHERED COMPONENT)**

**For Officers and Managers**

**of**

**Union Pacific Corporation**

**and**

**Affiliates**

**(As amended and restated in its entirety  
effective as of January 1, 1989, including all amendments  
adopted through August 1, 2024)**

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## ARTICLE ONE

### Scope of Supplemental Plan and Definitions

1.1 Introduction. This “Supplemental Plan (409A Non-Grandfathered Component),” amended through January 1, 2009, since amended and now further amended effective August 1, 2024, and as it may hereafter be amended from time to time, establishes the rights to specified benefits for certain officers and managers or highly compensated employees who retire or otherwise terminate their Employment on or after January 1, 2005. The rights of any such individual who retired or otherwise terminated Employment prior to January 1, 2005 shall be subject to the terms of the Supplemental Plan as in effect at the date of retirement or termination, except to the extent otherwise provided herein. This Supplemental Plan is intended to be a non-qualified supplemental retirement plan which is unfunded and maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and, as such, to be exempt from the provisions of Parts 2, 3 and 4 of Subtitle B of Title I of ERISA.

1.2 Applicability. The Supplemental Plan was bifurcated into two components, effective January 1, 2009. One such component, known as the “Supplemental Pension Plan (409A Grandfathered Component) for Officers and Managers of Union Pacific Corporation, effective January 1, 1989”, as it may hereafter be amended from time to time as permitted under section 409A of the Code, is applicable solely to those benefits that were both accrued and fully vested as of December 31, 2004 in accordance with the terms of the Supplemental Plan as in effect on December 31, 2004, which terms were not materially modified after October 3, 2004. With respect to all other amounts accrued under the Supplemental Plan, the rights of the Participant shall be governed by the terms of this Supplemental Plan (409A Non-Grandfathered Component).

1.3 Definitions. As used in this Supplemental Plan (409A Non-Grandfathered Component), the following terms have the meanings set forth below, unless a different meaning is plainly required by the context:

(a)“ Additional Disability Pay Benefit” means the benefit provided for in Section 2.4(b). The Additional Disability Pay Benefit is intended to constitute “disability pay” that is exempt from the requirements of Section 409A of the Code, as described in Section 1.409A-1(a)(5) of the Treasury Regulations.

(b)“ Administrator” shall have the same meaning as “Named Fiduciary-Plan Administration” as such term is defined in the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates.

(c)“ Change in Control” means a “Change in Control” as defined in the Union Pacific Corporation Key Employee Continuity Plan adopted November 16, 2000, as may be amended from time to time.

(d)“ Company” means Union Pacific and any Affiliated Company which is included in the Supplemental Plan by written action of (i) its board of directors and (ii) either the Board of Directors of Union Pacific or the Administrator acting on behalf of the Board of Directors of Union Pacific; provided, however, that if an Affiliated Company (other than an Affiliated Company that would remain such if the phrase “100 percent” were substituted for the phrase “at least 80 percent” in section 1563(a)(1) of the Code, which is then incorporated by reference in sections 414(b) and (c) of the Code) is included in the Supplemental Plan by virtue of action by the Administrator, unless the Board of Directors of Union Pacific ratifies such action not later than its first regularly scheduled meeting held subsequent to the taking of such action by the Administrator, such Affiliated Company shall cease to be so included as of the close of business on the last day of the month in which such meeting occurs and no employee of such Affiliated Company shall accrue a benefit under the Supplemental Plan.

(e)“ Early Supplemental Pension Retirement Date” means the date of a Participant’s Separation from Service after he becomes vested in his Supplemental Plan (409A Non-Grandfathered Component) benefit under Section 4.2, before his Normal Retirement Date, and after either attaining age 55 and completing 10 years of Vesting Service or attaining age 65, determined after taking into account (i) additional service credited under Section 1.3(s) and/or (ii) additional years of age, not exceeding five (5), as may be approved by the Chief Executive Officer of Union Pacific prior to the Participant’s Separation from Service or as may be credited to the Participant pursuant to Section 2.7, Section 2.8 or Section 2.10; provided, however that such date does not qualify as an Early Retirement Date under the terms of the Pension Plan. Notwithstanding the foregoing, any additional years of age awarded under this Section 1.3(e) shall affect only a Participant’s eligibility for an Early Supplemental Pension, and not the actual commencement date of such benefit.

(f)“ Early Supplemental Pension” means the pension provided for in Section 2.2.

(g)“ Effective Date” means January 1, 1989, the effective date of this document; provided, however, that when a provision of this Supplemental Plan (409A Non-Grandfathered Component) states an effective date other than January 1, 1989, such stated special effective date shall apply as to that provision.

(h)“ Final Average Compensation” means Final Average Compensation as determined under Article II of the Pension Plan as of the date of the Participant’s Separation from Service.

(i)“ Incentive Compensation” means:

(i) incentive compensation awarded to a Participant under the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, as amended and restated as of April 15, 1988 and as it may thereafter be amended from time to time, and any successor thereto (the “Executive Incentive Plan”);

(ii) for 1999 and later years, incentive compensation foregone by a Participant for an award under the Executive Incentive Premium Exchange Program of Union Pacific Corporation and Subsidiaries;

(iii) such other incentive compensation as may be included in Incentive Compensation for a Participant at the discretion of the Board of Directors of Union Pacific; or

(iv) the amount of retention stock (or retention units) awarded to a Participant by the Compensation and Benefits Committee of the Company's Board of Directors (or any successor thereto) in lieu of a cash award under the Executive Incentive Plan,

but only to the extent that such incentive compensation or retention stock (or retention units) is not taken into account in computing the Participant's Final Average Compensation for reasons other than: (A) the annual compensation limit under section 401(a)(17) of the Code, (B) the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan, (C) the eligibility freeze set forth in Section 3.02 of the Pension Plan, or (D) the Credited Service freeze set forth in Section 4.04 of the Pension Plan. Awards of Incentive Compensation shall be taken into account at the time such awards would have been paid but for the Participant's election, to forego or defer payment under a plan of the Company or an Affiliated Company; provided, however, that for purposes of calculating a Participant's benefit under this Supplemental Plan (409A Non-Grandfathered Component) no more than the three highest awards of Incentive Compensation shall be counted in the Participant's highest 36 consecutive months of Compensation determined as of the Participant's Separation from Service taking all Incentive Compensation into account.

(j)“ Normal Supplemental Pension” means the pension provided for in Section 2.1.

(k)“ Participant” means any Employee of the Company on or after the Effective Date who is or once was a Covered Employee under the Pension Plan and:

(i) whose Total Credited Service under Section 1.3(s) includes years that are not taken into account as Credited Service under the Pension Plan (including years not taken into account due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan);

(ii) who has Incentive Compensation within the 120-calendar-month period immediately preceding:

(A) with respect to a Participant who is not an Active Participant under the Pension Plan after December 31, 2017, the date prior to January 1, 2018 on which the Participant ceases to be a Covered Employee; and

(B) with respect to a Participant who is an Active Participant under the Pension Plan on or after January 1, 2018, the date on or after January 1, 2018 on which the Participant ceases to be an Active Participant under the Pension Plan, after taking into account Section 3.02(e)(1) or (2) (as may be applicable) of the Pension Plan;

(iii) whose Final Average Compensation is not fully recognized under the Pension Plan solely due to application of the annual compensation limit under section 401(a)(17) of the Code or the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan, as determined as of the date of the Participant's Separation from Service;

(iv) whose benefit under the Pension Plan is reduced as a result of the limitation described in Section 5.02 of the Pension Plan; or

(v) who is credited with additional years of age as described in Section 1.3(e)(ii), and

who has been designated by the Administrator as eligible to participate in the Supplemental Plan.

Notwithstanding anything in this Supplemental Plan to the contrary, no person who was not an Active Participant under the Pension Plan on December 31, 2017 shall be eligible to participate in the Supplemental Plan after December 31, 2017. No person who was not an Active Participant under the Pension Plan on December 31, 2017 and who, subsequent to that date, first becomes, or returns to service as, a Covered Employee (whether by returning to Employment following a Separation from Service, transfer or otherwise, and without regard to whether he has commenced a previously accrued Supplemental Plan benefit) shall be eligible to participate in the Supplemental Plan for purposes of benefit accrual with respect to such service after December 31, 2017.

In the event of the death or incompetency of a Participant, the term shall mean the Participant's personal representative or guardian for whatever amounts remain payable to the Participant under the terms of the Supplemental Plan.

(l)“ Pension Plan” means the Pension Plan for Salaried Employees of Union Pacific Corporation and Affiliates, as amended from time to time.

(m)“ Postponed Supplemental Pension” means the pension provided for in Section 2.3.

(n)“ Rehired Supplemental Pension” means the pension provided for in Section 2.5.

(o)“ Separation from Service” means the date as of which the Company and the Participant reasonably anticipate that no further services would be performed, or that the level of bona fide services the Participant would perform after such date would permanently decrease to no more than twenty percent (20%) of the average level of bona fide services performed by the Participant over the immediately preceding thirty-six (36) month period. There shall be no Separation from Service during a Participant's bona fide leave of absence so long as such leave does not exceed six (6) months or such longer period as the Participant may retain a right to reemployment with the Company under applicable statute or by contract. The term Separation from Service shall be interpreted in the same manner as a separation from service under Section 409A of the Code.

(p)“ Supplemental Plan” means the Supplemental Pension Plan for Officers and Managers of Union Pacific Corporation and Affiliates, as amended and restated effective January 1, 1989, and as it may thereafter be amended from time to time. The Supplemental Plan is comprised of the following components, each of which is set forth in a separate document: (1) the Supplemental Pension Plan (409A Non-Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates, and (2) the Supplemental Pension Plan (409A Grandfathered Component) for Officers and Managers of Union Pacific Corporation and Affiliates.



(q)“ Surviving Spouse” means:

(i) where payments to the Participant have not begun under the Supplemental Plan at the time of the Participant’s death, the spouse who was legally married to the Participant continuously during the 12 months ending on the date of the Participant’s death;

(ii) where payments to the Participant have begun under the Supplemental Plan prior to the Participant’s death:

(A) in the case of a Participant whose Supplemental Plan and Pension Plan benefit began on the same date or who is not vested in a Pension Plan benefit, the spouse who was legally married to the Participant on the date that his Supplemental Plan payments began;

(B) in the case of a Participant whose Supplemental Plan benefits began on a date earlier than the date on which his Pension Plan benefits began, the spouse who was legally married to the Participant on the date his Pension Plan benefits began; or

(C) in the case of a Participant whose Supplemental Plan benefits began but whose vested Pension Plan benefits had not started prior to this death, the spouse who was legally married to the Participant on the date of his death.

(r)“ Surviving Spouse’s Pension” means the pension provided for in Section 2.6.

(s)“ Total Credited Service” means:

(i) all years of Credited Service (and portions thereof) as set forth in the Article IV of the Pension Plan, which are credited with respect to the Participant under the Pension Plan (taking into account, as applicable, the Credited Service freeze set forth in Section 4.04 of the Pension Plan), other than Credited Service accruing during a Participant’s approved unpaid leave of absence (for the avoidance of doubt, for reasons other than Total Disability) that is after the Participant’s Separation from Service, plus Credited Service for years of Employment that are not taken into account under the Pension Plan solely due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan;

(ii) such additional years of training prior to the Participant’s Employment Commencement Date, as may have especially qualified the Participant for service with the Company, as determined by the Board of Directors, in its sole discretion;

(iii) such additional years of service, not exceeding five (5), as may be approved by the Chief Executive Officer of Union Pacific prior to the Participant’s termination of Employment; and

(iv) such additional years of service as may be credited to the Participant pursuant to Section 2.8 or Section 2.10.

(t)“ Total Offset Service” means (i) all years of “offset service” (including portions thereof) as set forth in Article V of the Pension Plan, including years of offset service for years of Employment that are not taken into account under the Pension Plan solely due to application of the provisions of Alternative II-D set forth in Section 3.01(c) of the Pension Plan; and (ii) any additional years as credited in accordance with Section 1.3(s)(ii), (iii) or (iv). For the avoidance of doubt, Total Offset Service includes Credited Service described in Section 5.01(b)(2) of the Pension Plan used to determine a Participant’s governmental offset under the Pension Plan.

(u)“ Union Pacific” means Union Pacific Corporation, or any successor to that corporation.

(v)“ Vesting Service” means (i) all years of Vesting Service (including portions thereof) as set forth in Article IV of the Pension Plan; and (ii) any additional years as credited in accordance with Section 1.3(s)(ii), (iii) or (iv).

(w) Except as otherwise expressly provided herein, all other capitalized terms shall have the respective meanings set forth in the definition provisions of Article II of the Pension Plan.

## ARTICLE TWO

### Amount and Payment of Pension

2.1 Normal Supplemental Pension. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service at his or her Normal Retirement Age under the Pension Plan shall be entitled to receive a Normal Supplemental Pension (or a Rehire Supplemental Pension, as applicable), in the form of a single life annuity commencing on the Participant's Normal Retirement Date, equal to the result of (a) minus (b) minus (c), where:

(a) is the annual Accrued Benefit payable at Normal Retirement Date computed on the basis of the formula provided in Section 5.01 of the Pension Plan as of the date of the Participant's Separation from Service, determined without regard to the limitation described in Section 5.02 of the Pension Plan, and including under such formula any amounts of Final Average Compensation that were excluded from consideration for the Participant under the Pension Plan and all Incentive Compensation payable to the Participant within the 120-calendar-month period immediately preceding:

(i) with respect to a Participant who is not an Active Participant under the Pension Plan after December 31, 2017, the date prior to January 1, 2018 on which the Participant ceases to be a Covered Employee; and

(ii) with respect to a Participant who is an Active Participant under the Pension Plan on or after January 1, 2018, the date on or after January 1, 2018 on which the Participant ceases to be an Active Participant under the Pension Plan, after taking into account Section 3.02(e)(1) or (2) (as may be applicable) of the Pension Plan,

and, in all cases, utilizing Total Credited Service up to 40 years in place of Credited Service under Article IV of the Pension Plan and Total Offset Service up to 40 years in place of "offset service" under Article V of the Pension Plan;

(b) is the annual nonforfeitable Accrued Benefit payable at Normal Retirement Date actually determined to be due under the terms of the Pension Plan as of the date of the Participant's Separation from Service; and

(c) is the annual nonforfeitable Normal Supplemental Pension payable at Normal Retirement Date actually determined under the Supplemental Plan (409A Grandfathered Component).

For purposes of determining benefits under the Supplemental Plan (409A Non-Grandfathered Component), any actuarial adjustments for a delay in the commencement of payment beyond the Normal Retirement Date or otherwise that apply under the Pension Plan in calculating the benefit described in (b), above, shall also apply to calculate the benefit described in (a), above.

## 2.2 Early Supplemental Pension.

(a) Participant Retires on Early Retirement Date. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service on an Early Retirement Date under the Pension Plan shall receive an Early Supplemental Pension, in the form of a single life annuity commencing on the first day of the month following the later of the Participant's Separation from Service or the Participant's attainment of age 55. The Early Supplemental Pension shall be computed in the same manner as the Normal Supplemental Pension, but with the amounts described in Section 2.1 adjusted for payment as of the early benefit start date in accordance with Section 6.03 of the Pension Plan (whether or not the Participant's Pension Plan benefit or Supplemental Plan (409A Grandfathered Component) benefit starts on that date), taking into account any additional years of age described in Section 1.3(e)(ii) solely for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a). Additionally, if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Early Supplemental Pension under the Supplemental Plan (409A Non-Grandfathered Component) shall be increased by the difference, if any, between (i) the amount of the benefit computed under the immediately preceding sentence attributable to the Participant's Normal Supplemental Pension under the terms of the Supplemental Plan (409A Grandfathered Component) as described in Section 2.1(c) and (ii) such amount that would have been payable from the Supplemental Plan (409A Grandfathered Component) at the Participant's early benefit start date under the Supplemental Plan (409A Non-Grandfathered Component) (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date).

(b) Participant Retires on Early Supplemental Pension Retirement Date. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service on an Early Supplemental Pension Retirement Date shall receive an Early Supplemental Pension, in the form of a single life annuity commencing on the first day of the month following the later of the Participant's Separation from Service or the Participant's attainment of age 55. The Early Supplemental Pension shall be computed in the same manner as described in Section 2.2(a), above, except that, for purposes of determining the Early Supplemental Pension as described in Section 2.2(a):

(i) the amount described in Sections 2.1(a) and 2.1(c) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.03 of the Pension Plan (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date), taking into account any additional years of age described in Section 1.3(e)(ii) solely for purposes of adjusting both the gross and offset portions of the benefit in Section 2.1(a); and

(ii) the amount described in Section 2.1(b) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Pension Plan benefit starts on that date); and

(iii) if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Early Supplemental Pension under the Supplemental Plan (409A Non-Grandfathered Component) shall be increased by the difference, if any, between (i) the amount of the benefit computed under Section 2.2(a) attributable to the Participant's Normal Supplemental Pension under the terms of the Supplemental Plan (409A Grandfathered Component) as described in Section 2.1(c) and (ii) such amount that would have been payable from the Supplemental Plan (409A Grandfathered Component) at the Participant's early benefit start date under the Supplemental Plan (409A Non-Grandfathered Component) (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts that date).

2.3 Postponed Supplemental Pension. Subject to the provisions of Articles Three, Five and Eleven, a Participant who has a Separation from Service after his Normal Retirement Age shall be entitled to a Postponed Supplemental Pension, in the form of a single life annuity commencing at the Postponed Retirement Date, which is equal to the Normal Supplemental Pension, computed in accordance with Section 2.1 based on his Total Credited Service, Total Offset Service, etc. as of the Participant's Postponed Retirement Date (instead of his Normal Retirement Date).

2.4 Disabled Participants.

(a) Disability Supplemental Retirement Benefit. In the event that a Participant becomes a Disabled Participant under the Pension Plan (and therefore is deemed to have had a Separation from Service under the Pension Plan), the Participant shall receive a Normal Supplemental Pension, Early Supplemental Pension, or Postponed Supplemental Pension, as determined under Section 2.1, 2.2, 2.3 or 4.2, as applicable, in the form of a single life annuity commencing on the first day of the month following the later of the Participant's Disability Date under the Pension Plan or the Participant's attainment of age 55; provided that such Disabled Participant has had a Separation from Service under the Supplemental Plan (409A Non-Grandfathered Component). Such benefit shall be based on the Participant's Supplemental Plan (409A Non-Grandfathered Component) benefit accrued through his or her Disability Date.

(b) Additional Disability Pay. To the extent that a Disabled Participant accrues a benefit under this Supplemental Plan (409A Non-Grandfathered Component) in excess of the amount described in Section 2.4(a) (due to the continued crediting of service and deemed Compensation for Disabled Participants), such additional benefit shall be paid at the same time and in the same form as the Participant's Pension Plan benefit, as described in Section 6.05 of the Pension Plan. Such Additional Disability Pay Benefit may include, by way of example, any early retirement subsidy with respect to the Supplemental Plan benefit described in Section 2.4(a) that the Disabled Participant accrues after his or her Disability Date.

2.5 Rehired Employees. The following provisions shall apply to any Participant who returns to Employment with the Company after having had a Separation from Service.

(a) Any Supplemental Pension determined under the terms of this Supplemental Plan (409A Non-Grandfathered Component) that is attributable to a prior period of Employment shall continue to be paid to the Participant without regard to the Participant's reemployment (even if the Participant's Pension Plan benefit and Supplemental Plan (409A Grandfathered Component) benefit are suspended during such reemployment).

(b) A rehired Participant shall be entitled to a Rehire Supplemental Pension, as determined in the same manner as a Supplemental Pension under Sections 2.1, 2.2, 2.3, 2.4(a) or 4.2, as applicable, based on the Participant's Final Average Compensation, Incentive Compensation, Total Credited Service and Total Offset Service during his or her aggregated periods of Employment, but offset further by the annual nonforfeitable Supplemental Pension actually determined under the Supplemental Plan (409A Non-Grandfathered Component) as of the Participant's prior Separation from Service. Notwithstanding the foregoing, a Participant shall not be entitled to accrue a benefit with respect to any period of Employment that follows a rehire occurring on or after January 1, 2018, unless the Participant's Separation from Service was the result of the Participant becoming a Disabled Participant and the Participant returns to Employment as a Covered Employee at such time as the Employer may reasonably require after ceasing to suffer from a Total Disability.

(c) Subject to the last sentence of Section 2.5(b), in the event that the Participant is entitled to receive more than one Rehire Supplemental Pension under this Supplemental Plan (409A Non-Grandfathered Component) (as a result of more than two Separations from Service), the provisions of Section 2.5(b) shall be applied as if all prior periods of the Participant's Employment were aggregated into a single prior period of Employment.

(d) In the event that a Disabled Participant who is entitled to an Additional Disability Pay Benefit under Section 2.4(b) returns to Employment with the Company, the Rehire Supplemental Pension determined under Section 2.5(b) shall not take into account the Additional Disability Pay Benefit (except for purposes of vesting, eligibility for an early retirement subsidy, or the calculation of the 40 year limit in Section 2.1).

## 2.6 Surviving Spouse's Pension (Post-Retirement Automatic Survivor Annuity).

(a) The Surviving Spouse of a Participant who dies while receiving a Normal Supplemental Pension (including a Normal Supplemental Pension determined under Section 4.2), Postponed Supplemental Pension or an Early Supplemental Pension determined under Section 2.2(a), which death occurs at a time when such Participant was receiving (or was immediately eligible to receive, had the Participant survived), the normal, postponed or early retirement benefit described at Sections 6.01, 6.02 or 6.03, respectively, of the Pension Plan, and, if applicable, an Additional Disability Pay Benefit, shall be entitled to a Surviving Spouse's Pension equal to:

(i) unless the Participant is described in paragraph (ii) below, one-half of the single life annuity amount of the Normal, Early, or Postponed Supplemental Pension (including the Additional Disability Pay Benefit, if applicable) payable to such deceased Participant under the Supplemental Plan (409A Non-Grandfathered Component).

(ii) if the Participant was receiving, as described in Section 2.4(a), a Normal Supplemental Pension determined under Section 4.2 as a result of becoming a Disabled Participant and incurring a Separation from Service under the Supplemental Plan (409A Non-Grandfathered Component) prior to attaining age 55, one-half of the single life annuity amount of the Normal, Early or Postponed Supplemental Pension (including the Additional Disability Pay Benefit described in Section 2.4(b), if applicable) credited with respect to such deceased Participant under the terms of the Supplemental Plan (409A Non-Grandfathered Component), determined as of the Participant's Benefit Payment Date under the Pension Plan (or date of death if the Participant died prior thereto), and reflecting the Pension Plan's early retirement reduction factors, if applicable, notwithstanding the Participant's Separation from Service prior to age 55 for purposes of the Supplemental Plan (409A Non-Grandfathered Component).

Additionally, if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Surviving Spouse's Pension shall be increased by an amount equal to one-half of the amount of the benefit computed under Section 2.1(c) adjusted for payment as of any early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date) and adjusted as of any postponed benefit start date according to any actuarial adjustments for a delay in the commencement of payment of the Participant's benefit beyond the Normal Retirement Date or otherwise that apply to the calculation of such a delayed benefit payment (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date). Such Surviving Spouse's Pension shall be payable to such Spouse in equal monthly payments for life, commencing on the first day of the month immediately following the death of such Participant.

(b) The Surviving Spouse of a Participant who dies while receiving an Early Supplemental Pension determined under Section 2.2(b), relating to a Separation from Service on an Early Supplemental Pension Retirement Date (i.e., a date that does not qualify as an Early Retirement Date under the terms of the Pension Plan), and, if applicable, an Additional Disability Pay Benefit, shall be entitled to a Surviving Spouse's Pension. The Surviving Spouse's Pension shall be payable in equal monthly payments for the Surviving Spouse's life, commencing on the first day of the month immediately following the Participant's death, which shall equal one-half of the single life annuity amount calculated for the Participant under Section 2.2(b) (including the Additional Disability Pay Benefit, if applicable), as of the Participant's early benefit start date under this Supplemental Plan (409A Non-Grandfathered Component). Additionally, if the Participant's Normal Supplemental Pension, as defined in the Supplemental Plan (409A Grandfathered Component), is payable under Section 4.2 of such Plan, the Participant's Surviving Spouse's Pension shall be increased by an amount equal to one-half of the amount of the benefit computed under the Section 2.1(c) adjusted for payment as of any early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date).

(c) The Surviving Spouse's Pension described in this Section 2.6 is payable in addition to any other death benefit that may be payable to the Surviving Spouse or other beneficiary of the Participant under the form of payment in which the Participant's Supplemental Pension is paid pursuant to Article Three. However, in no event shall the Surviving Spouse who is entitled to the Surviving Spouse's Pension, if also designated as the Participant's beneficiary under a joint and survivor annuity payable under the Supplemental Plan, receive a total benefit from the Supplemental Plan that is more than 100% of the retirement income otherwise payable to the Participant under the Supplemental Plan.

2.7 Change in Control. A Participant who is affected by a Change in Control shall have his eligibility for and amount of Supplemental Plan benefits determined pursuant to the terms of the Union Pacific Corporation Key Employee Continuity Plan adopted November 16, 2000, as may be amended from time to time.

## 2.8 Additional Age and Service for Certain Participants.

(a) Participant Ike Evans shall be deemed to have attained an age two (2) years, six (6) months older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years, six (6) months service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii);

(b) Participant Stan McLaughlin shall be deemed to have attained an age two (2) years older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii);

(c) Participant John Holm, shall be deemed to have attained an age two (2) years older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii);

(d) Participant Jerry Everett shall be deemed to have attained an age two (2) years, three (3) months older than his actual age, up to a maximum age 65 and shall receive an additional two (2) years service (up to a maximum of 40 years of service), which service shall be treated as part of the Participant's Total Credited Service in the way described in Section 1.3(s)(iii); and

(e) Participant Mike Ring shall be deemed to have attained an age three (3) years, six (6) months older than his actual age, up to a maximum age 65.

(f) The age and service credited as provided in Section 2.8(a)-(e) results in an additional deferral of compensation for purposes of the American Jobs Creation Act of 2004 ("AJCA"), and such additional deferral of compensation is subject to the terms of the AJCA.

2.9 Six Month Delay for Specified Employees. Notwithstanding any provision of this Supplemental Plan (409A Non-Grandfathered Component) to the contrary, no payment shall be made to a "specified employee" (as determined in accordance with a uniform policy adopted by the Company with respect to all arrangements subject to Section 409A of the Code maintained by the Company and its Affiliated Companies) until the first day of the seventh month following such specified employee's Separation from Service; provided, however, that in the event of the specified employee's death before his payment commencement date, this provision shall not prevent payment of death benefits at the time(s) otherwise prescribed by this Supplemental Plan (409A Non-Grandfathered Component); and provided further that this Section 2.9 shall not apply to the Additional Disability Pay Benefit. Payments suspended during such six-month period shall be accumulated and paid to the specified employee (without interest) in the seventh month following the specified employee's Separation from Service.

2.10 2017 Benefit Enhancement. Effective September 30, 2017, the benefit enhancements described in subsection (b) shall be provided to any Participant who is a Covered Employee under the Pension Plan who satisfies the requirements of subsection (a). These enhancements shall be taken into account in determining the Participant's Normal Supplemental Pension, Early Supplemental Pension or Postponed Supplemental Pension as described in Section 2.1, 2.2 or 2.3, respectively.



(a) The requirements of this subsection (a) are satisfied by a Covered Employee who:

(1) is a Covered Employee under the Pension Plan on August 16, 2017;

(2) had 2016 Compensation, as defined in Section 2.18(c) of the Pension Plan, in excess of \$120,000;

(3) is at least age 55 with at least 10 years of Vesting Service, as defined in Section 2.75 of the Pension Plan or has attained age 65, each determined as of September 30, 2017;

(4) is eligible for and is selected by the Company to participate in the Union Pacific 2017 Workforce Reduction Program (“2017 WRP”) and has a Separation from Service with the Company on the date selected by the Company, which date shall not occur after September 30, 2017; and

(5) executes all documents required by the terms of the 2017 WRP, including a waiver and general release of any and all employment-related rights or claims (other than claims for benefits under the Supplemental Pension Plan or Pension Plan) that the Participant may have against the Company, any Affiliated Company, the Supplemental Plan, the Pension Plan and their respective officers, agents and employees, in the form and manner prescribed by the Company, and does not revoke such waiver and general release within the time period prescribed by the Company.

(b) Each Covered Employee described in subsection (a) shall:

(1) receive up to an additional 60 months in the aggregate, which shall be applied as follows:

(A) First, to increase the Covered Employee’s deemed age, up to a maximum of age 65; and

(B) Second, if any such months remain, to increase the Covered Employee’s years and months of service for purposes of calculating Total Credited Service and Total Offset Service, up to a maximum of 40 years of service; and

(2) be treated as having been a Covered Employee for 60 full consecutive months for purposes of applying Section 4.02(c)(3) of the Pension Plan when calculating Total Credited Service and Total Offset Service under this Supplemental Pension Plan (409A Non-Grandfathered Component).

## **ARTICLE THREE**

### **Manner of Payment**

3.1 **Normal Form of Payment for Retirement.** Except as provided in Sections 3.2 and 3.3, if a Participant has a Separation from Service on a Normal Retirement Date, an Early Retirement Date, an Early Supplemental Pension Retirement Date, or a Postponed Retirement Date under Section 2.1, 2.2 or 2.3, payment of the Supplemental Pension shall be made to a Participant on his or her benefit start date in the form of a single life annuity payable in equal monthly installments to the Participant for his or her lifetime.

3.2 **Optional Forms of Payment for Retirement.** Notwithstanding Section 3.1, a Participant may elect to receive payment of the Supplemental Pension in one of the following forms in lieu of the applicable normal form set forth in Section 3.1.

(a) A single life annuity payable in equal monthly installments to the Participant for his lifetime;

(b) A single life annuity payable in equal monthly installments to the Participant for his lifetime, with 120 payments guaranteed. If a Participant dies before he or she has received 120 monthly payments, then any balance of guaranteed payments shall be paid in a single sum to the Participant's Beneficiary within 90 days following the Participant's death. A Participant's designation of a Beneficiary to receive the balance of the guaranteed payments may be made or changed until the earlier of the Participant's death or the expiration of the guaranteed period; or

(c) A joint and survivor annuity with any individual Beneficiary designated by the Participant, payable in equal monthly installments for the Participant's lifetime and with 25%, 50%, 75% or 100%, as elected by the Participant, of the amount of such monthly installment payable after the death of the Participant to the designated Beneficiary of such Participant, if then living, for the life of such designated Beneficiary. A Participant's designation of a Beneficiary under a joint and survivor annuity may not be changed on or after the benefit start date for the Supplemental Pension. If a Participant's Beneficiary dies before the benefit start date for the Supplemental Pension, but after the Participant has elected a joint and survivor annuity, the election shall automatically be revoked and the Supplemental Pension shall be paid in the form set forth in Section 3.1. Notwithstanding the foregoing, the percentage payable to the Participant's Beneficiary (unless the Beneficiary is the Participant's spouse) after the Participant's death may not exceed the applicable percentage from the table set forth in Appendix C of the Pension Plan.

The election described in this Section 3.2 must be made in writing, in the form prescribed by the Administrator, at least six (6) months before, and no later than the tax year of the Participant immediately preceding, the benefit start date for the Supplemental Pension. Any optional form of benefit described in this Section 3.2 shall be the actuarial equivalent of the normal form of benefit described in Section 3.1, disregarding the value of any subsidized survivor annuity benefit, and based on the applicable factors set forth in the Pension Plan used for purposes of determining actuarial equivalence of such optional form of benefit.

3.3 Payments For Certain Retirements Under Section 2.2(b). If a Participant has a Separation from Service on an Early Supplemental Pension Retirement Date, and at such Separation from Service either is not vested in or is not eligible to start a pension under the Pension Plan, payment of his Supplemental Pension shall be made in the form of a single life annuity. The Participant is not eligible to elect payment of his Supplemental Pension in any other form.

3.4 Special Payments.

(a) Michael A. Paras. The amount of the Supplemental Pension payable to Michael A. Paras under Article Two shall be paid on its scheduled payment date in the form of a single sum payment determined by converting the single life annuity into a single sum payment using (1) an interest rate that is equal to the adjusted first, second, and third segment rates applied under rules similar to the rules of Section 430(h)(2)(C) of the Code for the month before the date of distribution or such other time as the Secretary of the Treasury may prescribe, as described in Section 417(e)(3) of the Code and as published from time to time by the Secretary of the Treasury and (2) the mortality table referred to in Revenue Ruling 2007-67 (or such other mortality table as may subsequently be in effect) for Benefit Payment Dates occurring on or after January 1, 2009.

(b) Jeff M. Crandall. The amount of the Supplemental Pension payable to Jeff M. Crandall under Article Two shall be paid on its scheduled payment date in the form of a single sum payment determined by converting the joint and survivor annuity into a single sum payment using (1) an interest rate that is equal to the adjusted first, second, and third segment rates applied under rules similar to the rules of Section 430(h)(2)(C) of the Code for the month before the date of distribution or such other time as the Secretary of the Treasury may prescribe, as described in Section 417(e)(3) of the Code and as published from time to time by the Secretary of the Treasury and (2) the mortality table referred to in Revenue Ruling 2007-67 (or such other mortality table as may subsequently be in effect) for Benefit Payment Dates occurring on or after January 1, 2009; provided that Jeff M. Crandall is not entitled to receive any payment from a nonqualified deferred compensation plan required to be aggregated with the Supplemental Plan (409A Non-Grandfathered Component) under the regulations promulgated under Section 409A of the Code and the amount of the single sum payment does not exceed the applicable dollar amount under Section 402(g)(1)(B) of the Code.

c. Arnold R. Robinson. Notwithstanding Section 3.1, the benefit payable to Arnold R. Robinson under Article Two hereof shall be paid on its scheduled payment date in the form of a single sum payment, the amount of which shall be determined by converting the single life annuity (including for this purpose, the benefit described in Section 2.6(a)) into to a single sum payment by using the applicable interest rate and mortality assumptions of Section 2.05(c) of the Pension Plan and treating such scheduled payment date as the "Benefit Payment Date" for purposes of Section 2.05(c) of the Pension Plan; provided that Arnold R. Robinson is not entitled to receive any payment from another nonqualified deferred compensation plan required to be aggregated with the Supplemental Plan (409A Non-Grandfathered Component) under the regulations promulgated under Section 409A of the Code and the amount of the single sum payment does not exceed the applicable dollar amount under Section 402(g)(1)(B) of the Code for the 2017 calendar year.

## ARTICLE FOUR

### Vesting

#### 4.1 Termination Prior to Vesting.

(a) Except as provided in Section 2.7, a Participant who has a Separation from Service before Early or Normal Retirement Date, and before completion of 5 years of actual Vesting Service under the Pension Plan (treating as actual service for this purpose, service described in Section 1.3(s)(ii) or credited under Section 2.7) shall not be entitled to any benefit under this Supplemental Plan (409A Non-Grandfathered Component); provided, however, that the Chief Executive Officer of Union Pacific may reduce the required years of actual Vesting Service to 3 if the Chief Executive Officer of Union Pacific determines that such change would not be disadvantageous to the Company in the case of any Participant. The Chief Executive Officer of Union Pacific shall make such determination by the date the Participant terminates Employment.

(b) If a Participant described in Section 4.1(a) returns to Employment and subsequently becomes vested in the Supplemental Plan (409A Non-Grandfathered Component) benefit that was forfeited under Section 4.1(a), such benefit shall commence on the first day of the month following the later of the date the Participant becomes vested or the Participant's attainment of age 55 (even if the Participant is still in the Employment of the Company on such date by reason of his or her reemployment).

4.2 Termination After Vesting. Except as provided in Section 2.7 or Articles Five and Eleven, a Participant who has a Separation from Service before Normal or Early Retirement Date and before Early Supplemental Pension Retirement Date but after (i) completing 5 (or 3, if applicable) years of actual Vesting Service under the Pension Plan (treating as actual service for this purpose, service described in Section 1.3(s)(ii) or credited under Section 2.7) shall be entitled to receive, commencing on the first day of the month following the later of the Participant's Separation from Service or the Participant's attainment of age 55, the Normal Supplemental Pension computed under Section 2.1 as of the date the Participant had a Separation from Service.

In determining any Supplemental Pension to be paid to the Participant commencing prior to Normal Retirement Date, (I) the amounts described in Sections 2.1(a) and 2.1(c) shall be adjusted for early payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (taking into account any additional years of age described in Section 1.3(e)(ii) for purposes of adjusting both the gross and offset portions of the benefit, and regardless of whether the Participant's Supplemental Plan (409A Grandfathered Component) benefit starts on that date), and (II) the amount described in Section 2.1(b) shall be adjusted for payment as of the early benefit start date in accordance with Section 6.04 of the Pension Plan (whether or not the Participant's Pension Plan benefit starts on that date).

#### 4.3 Form of Vested Benefit.

(a) Benefits Payable Under Supplemental Plan and Pension Plan. If a Participant is entitled to benefits under both the Supplemental Plan (409A Non-Grandfathered Component) and the Pension Plan, the Supplemental Pension determined under Section 4.2 shall be paid:

(i) to the Participant, if he or she is not married, on his or her benefit start date in the form of a single life annuity payable in equal monthly installments to the Participant for his or her lifetime; or

(ii) to the Participant, if he or she is married, on his or her benefit start date in the form of a joint and survivor annuity with the Participant's spouse (determined as of the benefit start date) as the beneficiary, payable in equal monthly installments for the Participant's lifetime and with 50% of the amount of such monthly installment payable after the death of the Participant to such spouse, if then living, for the life of such spouse.

Notwithstanding the foregoing, the Participant may elect, in lieu of the normal form of benefit set forth in Section 4.3(a)(i) or (ii), as applicable, to be paid in any of the forms described in Section 3.2, and shall be subject to adjustment for form of payment and the same Beneficiary designation applicable to the Participant's Pension Plan benefit.

(b) No Benefits Payable Under Pension Plan. In the event a Participant is entitled to a benefit from the Supplemental Plan (409A Non-Grandfathered Component) but is not vested in a benefit under the Pension Plan, the Participant shall receive payment of his Supplemental Pension determined under Section 4.2 in the automatic form of payment described in Section 8.02 of the Pension Plan, as adjusted for form of payment and the same Beneficiary designation applicable to the Participant's Pension Plan benefit, that would have applied to the Participant had he been eligible for and started payment under the Pension Plan on the same day.

## ARTICLE FIVE

### Certain Employee Transfers

5.1 Transfers into Supplemental Plan from Resources Supplemental Plan. If any employee who is a participant in the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates is transferred on or before October 15, 1996 to the Company and becomes a Participant after such transfer, such employee shall retain no rights in the other supplemental pension plan and shall receive all benefits to which entitled under this Supplemental Plan (409A Non-Grandfathered Component), based upon Total Credited Service and Total Offset Service which shall include, as to such employee, any service which would have been used in determining the Participant's benefits under such other supplemental pension plan.

5.2 Transfers to Resources Supplemental Plan. If a Participant is transferred on or before October 15, 1996 to an Affiliated Company participating in the Supplemental Pension Plan for Exempt Salaried Employees of Union Pacific Resources Company and Affiliates and becomes a participant in the supplemental pension plan of the Affiliated Company after such transfer, such former Participant shall retain no rights in this Supplemental Plan if such other supplemental pension plan has provisions that substantially conform to the transfer provisions for the protection of transferees that are contained in Section 5.1.

5.3 No Duplication of Benefits. There shall under no circumstances be any duplication of benefits under this Supplemental Plan or any supplemental pension plan of an Affiliated Company or former Affiliated Company by reason of the same period of employment.

## ARTICLE SIX

### Pre-Retirement Survivor's Benefit

6.1 Eligibility. The Surviving Spouse of a Participant who either (a) has a Separation from Service due to death, or (b) (i) has a Separation from Service other than due to death after becoming entitled to a Supplemental Pension under Article Two or Article Four, and (ii) dies prior to the commencement of payment of the Supplemental Pension shall receive the benefit determined pursuant to Section 6.2.

6.2 Surviving Spouse's Benefit.

(a) Subsidized Death Benefits.

(i) Except as provided in subsection (ii), the benefit payable to the Surviving Spouse of a Participant described in Section 6.1 who dies:

(A) before his or her Separation from Service and before Early or Normal Retirement Date under the terms of the Pension Plan;

(B) before his or her Separation from Service and after Early or Normal Retirement Date under the terms of the Pension Plan; or

(C) after his or her Separation from Service, providing such Separation from Service occurred after Early or Normal Retirement Date under the terms of the Pension Plan,

shall be a monthly annuity payable for the Surviving Spouse's life. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension such Participant would have received (assuming, for a Participant described in Section 6.1(a), the Participant had vested) in the form of a single life annuity, if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Non-Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3. Notwithstanding anything in the Supplemental Plan (409A Non-Grandfathered Component) to the contrary, the Surviving Spouse's benefit with respect to a Participant described in (A), above, shall be determined by applying, for purposes of any adjustment for payment prior to Normal Retirement Date, the early retirement reduction factors of Section 6.03 of the Pension Plan.

(ii) The benefit payable to the Surviving Spouse of a Participant described in Section 6.1, who dies other than under circumstances described in Section 6.2(a)(i) or 6.2(a)(iii) but after becoming eligible for an Early Supplemental Pension under Section 2.2 based on an Early Supplemental Pension Retirement Date, shall be an annuity payable for the Surviving Spouse's life calculated as follows. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Supplemental Pension in the form of a single life annuity calculated for the Participant as described in Section 2.2(b) as if the Participant had survived (but accrued no additional benefits after death) and started his Supplemental Pension on the date Supplemental Plan (409A Non-Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3.

(iii) In addition to any other benefit due to the Surviving Spouse under this Supplemental Plan (409A Non-Grandfathered Component), if a Participant dies while a Disabled Participant but before Early or Normal Retirement Date under the terms of the Pension Plan (as determined for purposes of the Additional Disability Pay Benefit), the Surviving Spouse shall be entitled to an additional monthly annuity payable for the Surviving Spouse's life. Monthly payments to the Surviving Spouse shall equal one-half of the monthly Additional Disability Pay Benefit such Disabled Participant would have received (assuming the Disabled Participant had vested) in the form of a single life annuity, if the Disabled Participant had survived (but accrued no additional benefits after death) and started his Additional Disability Pay Benefit on the date the Supplemental Plan (409A Non-Grandfathered Component) benefits described in this Section 6.2(a)(iii) begin to the Surviving Spouse under Section 6.3. Notwithstanding anything in the Supplemental Plan (409A Non-Grandfathered Component) to the contrary, the Surviving Spouse's benefit described in this Section 6.2(a)(iii) shall be determined by applying, for purposes of any adjustment for payment prior to Normal Retirement Date, the early retirement reduction factors of Section 6.03 of the Pension Plan.

(b) Non-Subsidized Death Benefits. The benefit payable to the Surviving Spouse of a Participant described in Section 6.1 who dies under circumstances other than those described in Section 6.2(a) shall be an annuity payable for the Surviving Spouse's life with monthly payments equal to 50% of the monthly Supplemental Pension the Participant would have received in the form of a Qualified Joint and Survivor Annuity determined as if the Participant had survived (and accrued no additional benefits after his death) and started his Supplemental Pension on the date Supplemental Plan (409A Non-Grandfathered Component) benefits begin to the Surviving Spouse under Section 6.3.

6.3 Timing of Surviving Spouse's Benefit. The benefit to which a Surviving Spouse of a Participant shall be entitled pursuant to Section 6.2(a) or (b) shall be paid monthly to such Surviving Spouse, commencing as of the first day of the month following the later of the Participant's death or the date the Participant would have attained age 55. Payments to the Surviving Spouse shall end with the payment made for the month in which the Surviving Spouse dies.



## ARTICLE SEVEN

### **Funding**

The Company's obligations hereunder shall constitute a general, unsecured obligation of the Company payable solely out of its general assets, and no Participant or former Participant shall have any right to any specific assets of the Company. To the extent that any Participant or former Participant acquires a right to receive payments under the Plan, such right shall be no greater than the right of an unsecured general creditor of the Company. The Board of Directors of Union Pacific may, but shall not be required to, authorize Union Pacific to establish a trust to hold assets to be used to discharge the Company's obligations hereunder, provided that such trust shall not confer upon Participants or former Participants any rights other than the rights of unsecured general creditors of the Company.

## ARTICLE EIGHT

### Administration

8.1 Responsibilities and Powers of Administrator. Except for the responsibilities and powers elsewhere herein given specifically to the Board of Directors of Union Pacific, the Administrator shall have all responsibilities for the operation and administration of the Supplemental Plan and shall have all powers and discretionary authority necessary to carry out those responsibilities hereunder. Without limiting the generality of the foregoing, the Administrator shall have full power and discretionary authority to:

- (a) keep and maintain such accounts and records with respect to Participants and former Participants as are deemed necessary or proper;
- (b) determine all questions of the eligibility for participation and benefits and of the status and rights of Participants, former Participants, and any other person hereunder, make all required factual determinations, interpret and construe the Supplemental Plan in connection therewith and correct defects, resolve ambiguities therein and supply omissions thereto;
- (c) adopt from time to time mortality and other tables and interest rates upon which all actuarial calculations shall be based, including the determination of the appropriate factors for the adjustment of pension payments; and
- (d) adopt from time to time rules and regulations governing this Supplemental Plan.

The Administrator shall carry out all responsibilities and exercise all powers in accordance with the terms of the Supplemental Plan. The determination of the Administrator as to any questions involving the responsibilities hereunder shall be final, conclusive and binding on all persons.

8.2 Certification and Payment of Benefits. The Administrator shall compute the amount and manner of payment of benefits to which the Participants, former or retired Participants, Surviving Spouses and beneficiaries become entitled. All payments of benefits shall be made directly by the Company upon the instructions of the Administrator.

8.3 Reports to Board of Directors. As the Administrator deems necessary or proper or as the Board of Directors of Union Pacific may require, but in any event at least once during each calendar year, the Administrator shall report to such Board on the operation and administration of the Supplemental Plan and on any other matter concerning the Supplemental Plan deemed advisable or required by such Board.

8.4 Designation and Delegation. The Administrator may designate other persons to carry out such of the responsibilities hereunder for the operating and administration of the Supplemental Plan as the Administrator deems advisable and delegate to the persons so designated such of the powers as the Administrator deems necessary to carry out such responsibilities. Such designation and delegation shall be subject to such terms and conditions as the Administrator deems necessary or proper. Any action or determination made or taken in carrying out responsibilities hereunder by the persons so designated by the Administrator shall have the same force and effect for all purposes as if such action or determinations had been made or taken by the Administrator.

8.5 Outside Services. The Administrator may engage counsel and such clerical, medical, financial, actuarial, accounting and other specialized services as is deemed necessary or desirable for the operation and administration of the Supplemental Plan. The Administrator and persons so designated shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.

8.6 Expenses. All expenses, including any fees for outside services under Section 8.5, incurred by the Administrator and by persons designated by the Administrator under Section 8.4 in the operation and administration of the Supplemental Plan shall be paid by the Company. Neither the Administrator nor any other person who is an employee of the Company or an Affiliated Company shall receive any compensation solely for services in carrying out any responsibility hereunder.

8.7 Bonding. No bond or other security shall be required of the Administrator or of any person designated under Section 8.4.

8.8 Liability. The Administrator and persons designated by him under Section 8.4 shall use ordinary care and diligence in the performance of their duties. The Company shall indemnify and defend the Administrator and each other person so designated under Section 8.4 against any and all claims, loss, damages, expense (including reasonable counsel fees), and liability arising from any action or failure to act or other conduct in their official capacity, except when the same is due to the gross negligence or willful misconduct of the Administrator or other persons.

8.9 Finality of Actions. Any action required of Union Pacific, the Company, the Board of Directors of Union Pacific, or the Chief Executive Officer of Union Pacific (the "CEO") under this Supplemental Plan, or made by the Administrator acting on their behalf, shall be made in the Company's, the Board's or the CEO's sole discretion, not in a fiduciary capacity and need not be uniformly applied to similarly situated persons. Any such action shall be final, conclusive and binding on all persons interested in the Supplemental Plan.

## ARTICLE NINE

### **Amendment or Termination**

9.1 Amendment or Termination. The Board of Directors of Union Pacific, acting by written resolution, reserves the right to modify, alter, amend or terminate the Supplemental Plan from time to time and to modify, withdraw or terminate the Supplemental Plan, to any extent that it may deem advisable; provided, that no such modification, alteration, amendment or termination shall impair any rights which have accrued to Participants hereunder to the date of such modification, alteration, amendment or termination. Notwithstanding the foregoing, the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or Union Pacific with similar authority, may make all technical, administrative, regulatory and compliance amendments to the Supplemental Plan, and any other amendment that will not significantly increase the cost of the Supplemental Plan to the Company, as he or she shall deem necessary or appropriate.

## ARTICLE TEN

### General Provisions

10.1 Certain Rights Reserved. Nothing herein contained shall confer upon any Employee or other person the right (a) to continue in Employment or service of the Company or affect any right that the Company may have to terminate the Employment or service of (or to demote or to exclude from future participation in the Supplemental Plan) any such Employee or other person at any time for any reason, (b) to participate in the Supplemental Plan, or (c) to receive an annual base salary of any particular amount.

#### 10.2 Alienability of Benefits.

(a) Payments under the Supplemental Plan may not be assigned, transferred, pledged or hypothecated, and to the extent permitted by law, no such payments shall be subject to legal process or attachment for the payment of any claims against any person entitled to receive the same. Compliance with the provisions and conditions of any domestic relations order assigning a portion of a Participant's benefit to an alternate payee (as defined in Section 414(p)(8) of the Code) ("Alternate Payee") relating to an individual's Supplemental Plan benefits, which the Administrator (i) has determined is a lawful order of a domestic relations court and (ii) has approved as consistent with the terms of the Supplemental Plan (a "DRO" or "Approved DRO"), shall not be considered a violation of this provision. An Approved DRO must identify the Alternate Payee and this Supplemental Pension Plan (409A Non-Grandfathered Component) as the plan to which the DRO applies, describe the amount payable to the Alternate Payee (or the formula by which such amount may be determined), and must not provide for any type or form of benefit not provided under the Supplemental Plan (409A Non-Grandfathered Component), require the Supplemental Plan (409A Non-Grandfathered Component) to provide increased benefits (determined on the basis of actuarial value) or require the payment of benefits to an Alternate Payee which are required to be paid to another Alternate Payee in accordance with another previously Approved DRO.

(b) The benefit assigned to an Alternate Payee in accordance with an Approved DRO shall be paid in the form of (i) an actuarially-equivalent (using factors set forth in the Pension Plan) single life annuity payable in equal monthly installments to the Alternate Payee for his or her lifetime, or (ii) subject to Section 10.2(d), a designated dollar amount or percentage of each periodic payment to the Participant from the Supplemental Plan (409A Non-Grandfathered Component) as, when and if payable. No other forms of payment to an Alternate Payee are available.

(c) Payment of the Alternate Payee's benefit shall commence as follows:

(i) if the Alternate Payee's benefit under the Supplemental Plan (409A Non-Grandfathered Component) is payable in the form of a single life annuity for the lifetime of the Alternate Payee, as of the first day of any month specified in the DRO or elected by the Alternate Payee in accordance with terms of the DRO; provided, however, that payment of such benefit shall not commence prior to the later of: (A) the first day of the month next following the date the Participant attains Earliest Retirement Age (as defined in Section 414(p)(4)(B) of the Code); or (B) the first day of the month next following the month in which the Administrator makes the determination, as described in Section 10.2(a) above, that the domestic relations order is an Approved DRO and is able to determine the amount payable to the Alternate Payee. Furthermore payment of such benefit shall commence not later than the later of: (X) the Participant's Normal Retirement Date; or (Y) the first day of the month next following the month in which the Administrator makes the determination, as described in Section 10.2(a) above, that the domestic relations order is an Approved DRO and is able to determine the amount payable to the Alternate Payee.

(ii) if the DRO assigns a benefit to the Alternate Payee of a designated dollar amount or percentage of each periodic payment to the Participant from the Supplemental Plan (409A Non-Grandfathered Component) as, when and if payable, such benefit shall commence on the later of: (A) the date on which payments to the Participant from the Supplemental Plan (409A Non-Grandfathered Component) commence; or (B) the first day of the month coinciding with or next following the date specified in the DRO; provided, however, in no case shall payment of such benefit commence prior to the first day of the month next following the month in which the Administrator makes the determination, as described in Section 10.2(a) above, that the domestic relations order is an Approved DRO and is able to determine the amount payable to the Alternate Payee. Subject to Section 10.2(d), payments under the form described in this Section 10.2(c)(ii) shall cease as of the payment due for the month in which the death of the Participant or Alternate Payee occurs, whichever occurs first, or as of such earlier date specified in the DRO.

(d) No Alternate Payee shall have the right with respect to any benefit payable by reason of a DRO to designate a beneficiary with respect to amounts becoming payable under the Supplemental Plan (409A Non-Grandfathered Component), except in the case of a DRO assigning a benefit to the Alternate Payee of a designated dollar amount or percentage of each periodic payment to the Participant from the Supplemental Plan (409A Non-Grandfathered Component), but only to the extent that such beneficiary could be an Alternate Payee with respect to the Participant's benefit.

10.3 Payment Due an Incompetent. If it shall be found that any person to whom a payment is due hereunder is unable to care for that person's affairs because of physical or mental disability, as determined by a licensed physician, the Administrator shall have the authority to cause the payments becoming due such person to be made to the legally appointed guardian of any such person or to the spouse, brother, sister, or other person as it shall determine. Payments made pursuant to such power shall operate as a complete discharge of the Company's obligations.

10.4 Governing Law. The Supplemental Plan shall be construed and enforced in accordance with the laws of the State of Nebraska (without regard to the legislative or judicial conflict of laws rules of any state), except to the extent superseded by any federal law.

10.5 Successors. This Supplemental Plan shall be binding upon any successor (whether direct or indirect, by purchase, merger, consolidated or otherwise) to all or substantially all of the business and/or assets of the Company in the same manner and to the same extent that the Company would be bound to perform if no such succession had taken place.

10.6 Titles and Headings Not To Control. The titles and Articles of the Supplemental Plan and the headings of Sections and subsections of the Supplemental Plan are placed herein for convenience of reference only and, as such, shall have no force and effect in the interpretation of the Supplemental Plan.

10.7 Severability. If any provisions of the Supplemental Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part, the unlawfulness, invalidity, or unenforceability shall not affect any provision of the Plan or part thereof, each of which shall remain in full force and effect.

10.8 Determination and Withholding of Taxes. The Administrator shall have full authority to satisfy the responsibility of Union Pacific or any Affiliated Company to withhold taxes with respect to a Participant or former Participant, including FICA taxes, by withholding such taxes from any distributions under the Plan to the Participant or former Participant or his beneficiary or estate. The Administrator shall also have full authority, with or without the consent of the Participant or former Participant, to withhold from the individual's compensation from any and all sources, any FICA or other taxes applicable to benefits accrued under the Supplemental Plan.

10.9 Interpretation. This Supplemental Plan (409A Non-Grandfathered Component) is intended to satisfy the requirements of Section 409A of the Code, shall be interpreted in a manner consistent with such intent, and has been operated in reasonable good faith compliance with the requirements of Section 409A during the period of January 1, 2005 through December 31, 2008.

## ARTICLE ELEVEN

### **Transfers to Non-Covered Employment**

11.1 Notwithstanding any other provision of this Supplemental Plan (409A Non-Grandfathered Component) to the contrary, if a Participant is transferred to the employment of an Affiliated Company that has not adopted the Supplemental Plan (“non-covered employment”), upon the approval of the Chief Executive Officer of Union Pacific, any benefits to which such Participant (or his Surviving Spouse or other beneficiary) would be entitled under the Pension Plan, the Supplemental Plan (409A Non-Grandfathered Component), or both, by treating such Participant’s non-covered employment as if it were service covered by such Plans and by aggregating such service with the Participant’s other service covered by the Plans shall be provided to the Participant under this Section 11.1 to the extent that such benefits exceed the aggregate of (a) the Participant’s benefits under the Pension Plan, (b) the Participant’s benefits under the Supplemental Plan (409A Non-Grandfathered Component) determined without regard to this Section 11.1, and (c) the Participant’s benefits under any pension plan of the Affiliated Company that are based on the Participant’s non-covered employment and/or employment otherwise covered by the Pension and Supplemental Plans.



## ARTICLE TWELVE

### Claims Procedure

12.1 Application for Benefits. Each Participant, former Participant, Surviving Spouse or other beneficiary, or alternate payee under a domestic relations order believing himself or herself eligible for a benefit under this Supplemental Plan shall apply for such benefit by completing and filing with the Administrator an application for benefits on a form supplied by the Administrator.

12.2 Claims. The following provisions are effective on and after January 1, 2002:

(a) Claim for Benefits. A claim for Supplemental Plan benefits may be filed by:

(i) any person (or his duly authorized representative) who has applied for and/or received benefits from the Supplemental Plan pursuant to Section 12.1 and who believes that the amount and/or form of benefits provided (including no benefits) or any change in or termination or reduction of benefits previously provided results in a denial of benefits to which he is entitled for any reason (whether under the terms of the Supplemental Plan or by reason of any provision of law); or

(ii) any Employee or other individual (or his duly authorized representative) who believes himself to be entitled to benefits from the Supplemental Plan.

A claim for benefits must be filed with the Administrator, in writing and in accordance with such other requirements as may be prescribed by the Administrator. Any claim shall be processed as follows:

(A) When a claim for benefits has been filed by the claimant (or his duly authorized representative), such claim for benefits shall be evaluated and the claimant shall be notified by the Administrator of the approval or denial within a reasonable period of time, but not later than 90 days after the receipt of such claim unless special circumstances require an extension of time for processing the claim. If such an extension of time for processing is required, written notice of the extension shall be furnished to the claimant prior to the termination of the initial 90-day period and shall specify the special circumstances requiring an extension and the date by which a final decision will be reached (which date shall not be later than 180 days after the date on which the claim was received).

(B) A claimant shall be given written notice in which the claimant shall be advised as to whether the claim is granted or denied, in whole or in part. If a claim is denied, in whole or in part, the claimant shall be given written notice which shall contain (I) the specific reasons for the denial, (II) references to the specific Supplemental Plan provisions upon which the denial is based, (III) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, (IV) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, (V) the claimant's rights to seek review of the denial and time limits and other aspects of the Supplemental Plan's claim review procedures, and (VI) a statement of the claimant's right to bring a civil action under ERISA section 502(a) following an adverse determination upon review.

(b) Review of Claim Denial. If a claim for benefits is denied, in whole or in part, the claimant (or his duly authorized representative) shall have the right to request that the Administrator review the denial, provided that the claimant files in accordance with such requirements as may be prescribed by the Administrator a written request for review with the Administrator within 60 days after the date on which the claimant received written notification of the denial. A claimant (or his duly authorized representative) may review relevant documents, records and other information relevant to the claim (or receive copies free of charge) and may submit to the Administrator with the written request for review documents, records, written comments and other information relevant to the claim for benefits, which shall be considered upon review whether or not such information and other items were available when the claim was originally determined. Requests for review not timely filed shall be barred. A timely request for claim review shall be processed as follows:

(i) Within a reasonable period of time, but not later than 60 days after a request for review is received, the review shall be made and the claimant shall be advised in writing of the decision on review, unless special circumstances require an extension of time for processing the review. If an extension is needed, the claimant shall be given a written notification within such initial 60-day period specifying the reasons for the extension and when such review shall be completed (provided that such review shall be completed within 120 days after the date on which the request for review was filed). However, if the period for deciding the claim has been extended under this paragraph (i) due to a claimant's failure to provide information necessary to decide a claim, the period for making a decision on review shall be tolled from the date the claimant is sent written notice of the extension until the date on which the claimant responds to the request for information (or such earlier date as may be prescribed by the Administrator in accordance with applicable law and regulations).

(ii) The decision on review shall be forwarded to the claimant in writing and shall include (A) specific reasons for the decision, (B) references to the specific Plan provisions upon which the decision is based, (C) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claim, and (D) a statement of the claimant's right to bring an action under ERISA section 502(a). A decision on review shall be final and binding on all persons for all purposes.

(c) Exhaustion of Claims Review Process. A claimant shall have no right to seek review of a denial of benefits, or to bring any action in any court to enforce a claim for benefits prior to his filing a claim for benefits and exhausting his rights to review under this Section 12.3.



**DEFERRED COMPENSATION PLAN  
(409A Grandfathered Component)**

of

**UNION PACIFIC CORPORATION**

*(Originally effective as of January 1, 2009,  
as amended and restated including all amendments adopted through August 1, 2024.)*

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## ARTICLE ONE

### Scope of Plan and Definitions

- 1.1 Purpose and Scope of Plan** - The purpose of the Plan (this and other capitalized terms having the meanings set forth below) is to provide a deferral opportunity and related benefits to Eligible Employees who participate in EIP and SIP. The Plan is intended to be an unfunded nonqualified deferred compensation plan that is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and, as such, to be exempt from the provisions of Parts 2, 3 and 4 of Subtitle B of Title I of ERISA. The rights of each Participant and his Beneficiaries to benefits under the Plan shall be governed by the Plan as set forth herein and as it may hereafter be amended from time to time. This Plan was effective January 1, 2009, unless expressly provided otherwise herein, and has since been amended, and is now further amended and restated effective August 1, 2024 as set forth herein.
- 1.2 Applicability** - The Deferred Compensation Plan was bifurcated into two components, effective January 1, 2009. As reflected in the terms of this Grandfathered Plan, one such component is applicable solely to those amounts that were, as of December 31, 2004, both credited to a Participant’s Account and fully vested in accordance with the terms of the Deferred Compensation Plan as in effect on December 31, 2004 (including related investment gains and losses occurring thereafter), which terms were not materially modified after October 3, 2004. With respect to any other amounts credited to a Participant’s account under the Deferred Compensation Plan, the rights of the Participant and his Beneficiaries shall be governed by the component of the Deferred Compensation Plan known as the “Deferred Compensation Plan (409A Non-Grandfathered Component) of Union Pacific Corporation, effective January 1, 2009” as it may hereafter be amended from time to time. Prior to January 1, 2009, with respect to all amounts credited under the Deferred Compensation Plan that were subject to section 409A of the Code, the Deferred Compensation Plan was administered in good faith compliance with section 409A of the Code.
- 1.3 Definitions** - As used in the Plan, the following terms shall have the meanings set forth below, unless a different meaning is plainly required by the context:
- (a) “Account” shall mean the entries maintained on the books of the Company which represent a Participant’s interest under the Grandfathered Plan. A Participant’s “Account” shall reflect the value of amounts credited to a Participant under the Deferred Compensation Plan as in effect on December 31, 2004, valued on and after December 31, 2004 in accordance with Article 2 and adjusted for payments made pursuant to Article 3 after December 31, 2004. Under no circumstances shall a Participant’s Account under this Grandfathered Plan be deemed to include amounts (including investment gains and losses thereon) which under the terms of the Deferred Compensation Plan were credited after December 31, 2004 or were not vested as of that date.

- (b) “Award Account” shall mean the entries maintained on the books of the Company which represent a Participant’s interest under the Plan with respect to each separate Award payable to the Participant under EIP or SIP that the Participant elected to defer under the terms of this Grandfathered Plan. Each Award Account shall separately reflect the Participant’s interest in each investment fund established under Section 2.1.
- (b) “Beneficiary” shall mean the person designated by a Participant to receive his interest under the Deferred Compensation Plan in the event of his death hereunder pursuant to procedures adopted by the Committee. Absent such designation, the Participant’s Beneficiary shall be his estate.
- (c) “Committee” shall mean the Compensation and Benefits Committee of the Board of Directors of the Company, or such other committee of the Board of Directors as may from time to time be designated by the Board of Directors to administer the Plan.
- (d) “Deferred Compensation Plan” shall mean the Union Pacific Corporation Deferred Compensation Plan, as amended from time to time. The Deferred Compensation Plan is comprised of the following components, each of which is set forth in a separate document: (1) The Union Pacific Corporation Deferred Compensation Plan (409A Grandfathered Component), and (2) The Union Pacific Corporation Deferred Compensation Plan (409A Non-Grandfathered Component).
- (e) “EIP” shall mean the Executive Incentive Plan of Union Pacific Corporation and Subsidiaries, effective as of January 1, 1971, and as it may thereafter be amended from time to time.
- (f) “Participant” shall mean any person who has an Account which has not been distributed pursuant to Article Three.
- (g) “Plan” or “Grandfathered Plan” shall mean the Union Pacific Corporation Deferred Compensation Plan (409A Grandfathered Component), as amended and restated in its entirety effective as of January 1, 2009 as set forth and restated herein, and as it may hereafter be amended from time to time.
- (h) “SIP” shall mean the 1993 Stock Option and Retention Stock Plan of Union Pacific Corporation, effective April 16, 1993, as amended; the Union Pacific Corporation 2001 Stock Incentive Plan, effective April 20, 2001, as amended; and the Union Pacific Corporation 2004 Stock Incentive Plan, effective April 16, 2004, and as it may thereafter be amended from time to time.
- (i) “Thrift Plan” shall mean the Union Pacific Corporation Thrift Plan, as in effect from time to time.

**1.4 Terms Defined in the Thrift Plan** - For all purposes of the Plan, the following terms shall have the meanings specified in the Thrift Plan, unless a different meaning is plainly required by the context: “Affiliated Company”; “Board of Directors”; “Code”; “Company”; “ERISA”; and “Separation from Service”; provided, however, that in determining if a Separation from Service has occurred, the initial public offering of Overnite Corporation that is the subject of Form S-1 Registration Statement No. 333-107614 shall be disregarded.

**1.5 Other Definitional Provisions** - The terms defined in Sections 1.3 and 1.4 of the Plan shall be equally applicable to both the singular and plural forms of the terms defined. The masculine pronoun, whenever used, shall include the feminine and *vice versa*. The words “hereof,” “herein” and “hereunder” and words of similar import when used in the Plan shall refer to the Plan as a whole and not to any particular provision of the Plan, unless otherwise specified.

## ARTICLE TWO

### Valuation of Accounts

**2.1 Establishment of Investment Funds** - The Committee shall have the authority in its sole discretion to provide a Participant with one or more investment funds for the Participant’s Account and to add, delete, consolidate, substitute or otherwise change any such investment funds from time to time as the Committee may determine in its sole discretion. Notwithstanding any other provision of the Plan that may be interpreted to the contrary, the investment funds are to be used for measurement purposes only, and a Participant’s election of any such investment fund, the allocation of the Participant’s Account thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant’s Account shall not be considered an actual investment of a Participant’s Account in any such investment fund.

**2.2 Transfers Between Investment Funds** - Subject to such rules as the Committee may prescribe from time to time in its sole discretion, a Participant may elect to transfer such portion of a Participant’s interest in any investment fund as permitted by the Committee to any other available investment fund. Such rules may require that a Participant’s Account under this Grandfathered Plan is commingled for investment purposes with any “Account” a Participant may have in the Union Pacific Corporation Deferred Compensation Plan (409A Non-Grandfathered Component). However, separate recordkeeping shall be maintained with respect to the portions of the Participant’s benefit in the Deferred Compensation Plan attributable to its Grandfathered and Non-Grandfathered Components.

**2.3 Valuation and Accounting** -

(a) Each investment fund shall be valued as such times and in accordance with such method(s) of valuation as determined from time to time in the sole discretion of the Committee, and the value of each Participant’s Account shall be determined by reference to the portion of the Participant’s Account allocable to each investment fund. The value of each Participant’s interest in an investment fund may be measured in units, shares or dollars.

(b) The value of a Participant's Account shall equal the aggregate value of the investment funds allocable to such Account.

## ARTICLE THREE

### Payments

#### **3.1 Payments on Separation from Service or Date Certain -**

- (a) Except as provided in subparagraph (b), as soon as administratively practicable following the Participant's Separation from Service, the value of the Participant's Award Account(s) under the Grandfathered Plan at the time of such Separation from Service shall be paid to the Participant or, if such Participant is not living at the time of payment, to such Participant's Beneficiaries in a single lump-sum payment.
- (b) A Participant may have any Award Account paid to him or, if such Participant is not living at the time of payment, to such Participant's Beneficiaries, in one of the payment options described in subparagraph (b)(1) by making an election of such payment option in accordance with the procedures set forth in subparagraph (b)(2).
  - (1) The payment options for any Award Account are described below.
    - (i) A single lump sum distribution as provided in subparagraph (a) payable at the earlier of (A) July of the year elected by the Participant or (B) the Participant's Separation from Service.
    - (ii) A single lump-sum distribution as provided in subparagraph (a) payable in the year of the Participant's Separation from Service or (if elected by the Participant) January of the next year following such Separation from Service.
    - (iii) Annual installments over a period not to exceed fifteen (15) years (such installment period to be elected by the Participant) beginning as soon as administratively practicable following the: (A) Participant's Separation from Service or (B), if elected by the Participant, January of the next year following such Separation from Service, with (under either option) subsequent installments paid in January of each subsequent year, provided that all subsequent installments will be paid in the next succeeding January, with each installment determined by dividing the value of the Participant's then-undistributed Award Account by the number of installments remaining to be made.

- (iv) A single lump-sum distribution payable in January of year following the Participant's Separation from Service that is not later than fifteen (15) years after the Participant's Separation from Service, such year to be elected by the Participant. The amount of such distribution shall equal the balance in the Participant's Award Account at such specified date. Pending the lump-sum distribution as aforesaid, the Participant's Award Account shall continue to be invested in accordance with Article Two. If the Award Account relates to amounts deferred into the Plan from the SIP, the increase or decrease in the value of such Award Account shall be accumulated as part of the Award Account and paid as part of such lump-sum distribution. If the Award Account relates to amounts deferred into this Plan from the EIP, then at the end of each calendar quarter following the Participant's Separation from Service, the net increase or decrease in the value of such Award Account, measured from the first valuation of such Award Account pursuant to Article Two which coincides with or next follows the Participant's Separation from Service, shall be determined. The amount of any such net increase shall be distributed to the Participant within thirty (30) days following the end of such calendar quarter.
- (2) A Participant must elect a payment option described in subparagraph (b)(1) for any Award Account in writing at the time the Participant makes the deferral election that establishes the Award Account, subject to the following restrictions:

  - (i) The Participant may always elect the payment option described in subparagraph (b)(1)(i) (providing for payment as of a specified date prior to Separation from Service) with regard to amounts to be deferred to an Award Account, regardless of the payment option the Participant may have elected with respect to any Award Accounts previously established under this Grandfathered Plan.
  - (ii) With respect to the payment options described in subparagraphs (b)(1)(ii), (b)(1)(iii) or (b)(1)(iv) (each providing for payment following Separation from Service and hereafter referred to as the "Separation Payment Options"), the Participant may elect only one such Separation Payment Option with respect to (A) all Award Accounts consisting of amounts deferred into the Plan from the SIP, and (B) all Award Accounts consisting of amounts deferred into the Plan from the EIP (other than, in each case, Award Accounts for which the payment option described in subparagraph (b)(1)(i) has been elected). A Participant's initial election of a Separation Payment Option, with respect to amounts deferred from the SIP or EIP, as the case may be, shall apply to all subsequent deferrals from the SIP or EIP, as applicable, unless the Participant elects the payment option described in subparagraph (b)(1)(i) for such subsequent deferral.



(3) Notwithstanding the foregoing, a Participant may change the payment option with respect to an Award Account by filing an appropriate election (A) at least six (6) months prior to the date the Award Account would otherwise have begun to be paid to the Participant and (B) in the tax year prior to such date; provided however, that (i) a Participant may not elect to change the form of payment of an Award Account from a Separation Payment Option to the form of payment described in subparagraph (b)(1)(i), and (ii) any change to a different Separation Payment Option must apply to all Award Accounts attributable to deferrals from the SIP or EIP, as the case may be, for which a Separation Payment Option has been elected.

- (c) On the death of a Participant whose Award Account is payable under (b)(1)(iii) or (iv), the Committee, in its sole discretion, may accelerate one or more installments or payments, and change the form of payment or distribution in accordance with this Section 3.1, of any balance of a Participant's Award Account.
- (d) At any time before or after Separation from Service of a Participant who has one or more Award Accounts, the Committee, if it finds in its sole discretion that continued deferral of such Award Account(s) would result in undue hardship to such Participant or his Beneficiary, may accelerate and pay in cash all or any part of such Award Account(s). If payment of part of an Award Account is made pursuant to this Subsection 3.1(d), such payment shall be made pro-rata from the Investment Funds established under Section 2.1 in which such Award Account is invested at the time of the payment.
- (e) In the event of relevant changes in the Federal income tax laws, regulations and rulings, or upon termination of the Plan, the Committee may, in its sole discretion, so accelerate or change the form of payment of any or all Award Accounts.

**3.2 Payments Prior to Separation From Service or Date Certain** – A Participant may request a withdrawal from any Award Account by filing a request with the Committee. Any withdrawal under this Section will be charged with a 10% early withdrawal penalty that will be withheld from the amount withdrawn and such amount withheld shall be irrevocably forfeited. All withdrawals shall be made pro-rata from the investment funds established under Section 2.1 in which the Participant's Award Account are invested at the time of the withdrawal.

**3.3 Responsibility for Payments**. All payments attributable to credits made hereunder on behalf of a Participant shall be made by the Company on its own behalf or on behalf of the Affiliated Company by who such Participant was employed when such credits were made. Such Affiliated Company shall reimburse the Company for all amounts paid on its behalf.

## ARTICLE FOUR

### Administration

- 4.1 **Responsibilities and Powers of the Committee** - The Committee shall be solely responsible for the operation and administration of the Plan and shall have all powers necessary and appropriate to carry out its responsibilities in operating and administering the Plan. Without limiting the generality of the foregoing, the Committee shall have the responsibility and power to interpret the Plan, to make factual determinations and to determine whether a credit should be made on behalf of a Participant, the amount of the credit and the value of the amount so credited on any subsequent date. The determination of the Committee, made in good faith, shall be conclusive and binding on all persons, including Participants and their Beneficiaries. The Committee may delegate part or all of its authority to operate and administer the Plan to the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or the Company with similar authority, and may grant authority to such person to execute agreements or other documents relating to the administration of the Plan as such person deems necessary or appropriate.
- 4.2 **Outside Services** - The Committee may engage counsel and such clerical, medical, financial, investment, accounting and other specialized services as she may deem necessary or desirable to the operation and administration of the Plan. The Committee shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.
- 4.3 **Indemnification** - The Company shall indemnify the Committee against any and all claims, loss, damages, expense (including reasonable counsel fees) and liability arising from any action or failure to act or other conduct in her official capacity, except when the same is due to her own gross negligence or willful misconduct.
- 4.4 **Claims Procedures** - The claims procedures set forth in Article XIII of the Thrift Plan shall apply to any claim for benefits hereunder, subject to such changes as the Committee deems necessary or appropriate.

## ARTICLE FIVE

### Amendment and Termination

- 5.1 Amendment** - The Board of Directors reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate to conform with governmental regulations or other policies, to modify or amend in whole or in part any or all of the provisions of the Plan. In addition, the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or the Company with similar authority, may make (a) all technical, administrative, regulatory and compliance amendments to the Plan or (b) any other amendment to the Plan that will not significantly increase the cost of the Plan to the Company as he or she deems necessary or appropriate. Notwithstanding anything to the contrary above, no amendment shall operate to reduce the accrued benefit of any individual who is a Participant at the time the amendment is adopted.
- 5.2 Termination** - The Plan is purely voluntary and the Board of Directors reserves the right to terminate the Plan at any time, provided, however, that the termination shall not operate to reduce the accrued benefit of any individual who is a Participant at the time the Plan is terminated.

## ARTICLE SIX

### General Provisions

- 6.1 Source of Payments** - The Plan shall not be funded and all payments hereunder to Participants and their Beneficiaries shall be paid from the general assets of the Company. The Company shall not, by virtue of any provisions of the Plan or by any action of any person hereunder, be deemed to be a trustee or other fiduciary of any property for any Participant or his Beneficiaries and the liabilities of the Company to any Participant or his Beneficiaries pursuant to the Plan shall be those of a debtor only pursuant to such contractual obligations as are created by the Plan and no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. To the extent that any Participant or his Beneficiaries acquire a right to receive a payment from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.
- 6.2 No Warranties** - Neither the Committee nor the Company warrants or represents in any way that the value of each Participant's Account will increase or not decrease. Such Participant assumes all risk in connection with any change in such value.
- 6.3 Inalienability of Benefits** - No benefit payable under, or interest in, the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any attempt to do so shall be void; nor shall any such benefit or interest be in any manner liable for or subject to garnishment, attachment, execution or levy or liable for or subject to the debts, contracts, liabilities, engagements or torts of any Participant or his Beneficiaries. In the event that the Committee shall find that any Participant or his Beneficiaries has become bankrupt or that any attempt has been made to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit payable under, or interest in, the Plan, the Committee shall hold or apply such benefit or interest or any part thereof to or for the benefit of such Participant or his Beneficiaries, his spouse, children, parents or other relatives or any of them.

- 6.4 Expenses** - The Company shall pay all costs and expenses incurred in operating and administering the Plan, including the expense of any counsel or other specialist engaged by the Committee.
- 6.5 No Right of Employment** - Nothing herein contained nor any action taken under the provisions hereof shall be construed as giving any Participant the right to be retained in the employ of the Company or any Affiliated Company.
- 6.6 Limitations on Obligations** - Neither the Company, nor any Affiliated Company, nor any officer or employee of either, nor any member of the Board of Directors nor the Committee shall be responsible or liable in any manner to any Participant, Beneficiary or any person claiming through them for any action taken or omitted in connection with the granting of benefits or the interpretation and administration of the Plan.
- 6.7 Withholding** - The Company shall, on its own behalf or on behalf of the Affiliated Companies, withhold from any payment hereunder the required amounts of income and other taxes.
- 6.8 Headings** - The headings of the Sections in the Plan are placed herein for convenience of reference and, in the case of any conflict, the text of the Plan, rather than such heading, shall control.
- 6.9 Construction** - The Plan shall be construed, regulated and administered in accordance with the laws of the State of Utah, without regard to the choice of law principles thereof.
- 6.10 Payments to Minors, Etc.** - Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receiving therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person and such payment shall fully discharge the Committee, the Company, all Affiliated Companies and all other parties with respect thereto.
- 6.11 Rule of Interpretation** - This Grandfathered Plan is intended to qualify as a grandfathered arrangement not subject to section 409A of the Code, and shall be interpreted and construed so as to realize such intent. The Committee is empowered to amend the terms of this Grandfathered Plan in order to ensure that the Award Accounts under the Plan are not subject to the restrictions and limitations of section 409A of the Code.



**DEFERRED COMPENSATION PLAN  
(409A Non-Grandfathered Component)**

**of**

**UNION PACIFIC CORPORATION**

*(Originally effective as of January 1, 2009,  
as amended and restated including all amendments adopted through August 1, 2024.)*

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## ARTICLE ONE

### Scope of Plan and Definitions

- 1.1 Purpose and Scope of Plan** - The purpose of the Plan (this and other capitalized terms having the meanings set forth below) is to provide a deferral opportunity and related benefits to Eligible Employees who participate in EIP and SIP. The Plan is intended to be an unfunded nonqualified deferred compensation plan that is maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees of the Company, pursuant to sections 201, 301 and 401 of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”) and, as such, to be exempt from the provisions of Parts 2, 3 and 4 of Subtitle B of Title I of ERISA. The rights of each Participant and his Beneficiaries to benefits under the Plan shall be governed by the Plan as set forth herein and as it may hereafter be amended from time to time. This Plan was effective January 1, 2009, unless expressly provided otherwise herein, and has since been amended, and is now further amended and restated effective August 1, 2024 as set forth herein.
- 1.2 Applicability** - The Deferred Compensation Plan was bifurcated into two components, effective January 1, 2009. As reflected in the terms of this Non-Grandfathered Plan, one such component is applicable solely to those amounts that were not, as of December 31, 2004, both credited to a Participant’s Account and fully vested or as to which the Participant had a vested right in accordance with the terms of the Deferred Compensation Plan as in effect on December 31, 2004 (including related investment gains and losses occurring thereafter). With respect to any other amounts credited to a Participant’s account under the Deferred Compensation Plan, the rights of the Participant and his Beneficiaries shall be governed by the component of the Deferred Compensation Plan known as the “Deferred Compensation Plan (409A Grandfathered Component) of Union Pacific Corporation, as amended and restated effective January 1, 2009”, as it may hereafter be amended from time to time as permitted under section 409A of the code. Prior to January 1, 2009, with respect to all amounts credited under the Deferred Compensation Plan that were subject to section 409A of the Code, the Deferred Compensation Plan was administered in good faith compliance with section 409A of the Code.
- 1.3 Definitions** - As used in the Plan, the following terms shall have the meanings set forth below, unless a different meaning is plainly required by the context:
- (a) “Account” shall mean the entries maintained on the books of the Company which represent a Participant’s interest under the Non-Grandfathered Plan. The term “Account” shall refer to:
    - (1) The value of amounts credited to a Participant under the Deferred Compensation Plan as in effect on January 1, 2005, other than amounts (including investment gains and losses thereon) which under the terms of the Deferred Compensation Plan were credited and fully vested or as to which the Participant had a vested right, as of December 31, 2004, valued in accordance with Article 3 and adjusted for payments made pursuant to Article 4.

- (2) The value of amounts credited to a Participant's Account pursuant to Section 2.1, valued in accordance with Article 3 and adjusted for payments made pursuant to Article 4.

Under no circumstances shall a Participant's Account under this Non-Grandfathered Plan be deemed to include amounts (including investment gains and losses thereon) which under the terms of the Deferred Compensation Plan were credited and fully vested or as to which the Participant has a vested right as of December 31, 2004.

- (b) "Award" shall mean an award as defined under EIP or SIP consisting of cash or stock units. Stock options or retention share awards are not eligible for deferral under this Plan.
- (c) "Award Account" shall mean the entries maintained on the books of the Company which represent a Participant's interest under the Plan with respect to each separate Award payable to the Participant under EIP or SIP that the Participant elects to defer under the terms of this Non-Grandfathered Plan. Each Award Account shall separately reflect the Participant's interest in each investment fund established under Section 3.1.
- (d) "Beneficiary" shall mean the person designated by a Participant to receive his interest under the Deferred Compensation Plan in the event of his death hereunder pursuant to procedures adopted by the Committee. Absent such designation, the Participant's Beneficiary shall be his estate.
- (e) "Committee" shall mean the Compensation and Benefits Committee of the Board of Directors of the Company, or such other committee of the Board of Directors as may from time to time be designated by the Board of Directors to administer the Deferred Compensation Plan.
- (f) "Deferred Compensation Plan" shall mean the Union Pacific Corporation Deferred Compensation Plan, as it may be amended from time to time. The Deferred Compensation Plan is comprised of the following components, each of which is set forth in a separate document: (1) The Union Pacific Corporation Deferred Compensation Plan (409A Grandfathered Component), and (2) The Union Pacific Corporation Deferred Compensation Plan (409A Non-Grandfathered Component).
- (g) "EIP" shall mean the Union Pacific Corporation Executive Incentive Plan, effective May 5, 2005, and as it may thereafter be amended from time to time, and any successor executive incentive plan.

- (h) “Eligible Employee” shall mean an employee eligible to receive an Award who the Committee has designated as eligible to participate in this Plan.
- (i) “Participant” shall mean (1) any Eligible Employee for whom credits have been or are being made hereunder, or (2) any former Eligible Employee for whom credits have been made hereunder and who either (A) continues to be employed by the Company or an Affiliated Company, or (B) has an interest in all or a portion of his Account which has not been distributed pursuant to Article 4.
- (j) “Plan” or “Non-Grandfathered Plan” shall mean the Union Pacific Corporation Deferred Compensation Plan (409A Non-Grandfathered Component), effective as of January 1, 2009 as set forth and restated herein, and as it may hereafter be amended from time to time.
- (k) “Separation from Service” shall mean a “separation from service” with the Company and all Affiliated Companies within the meaning of Code section 409A and the regulations promulgated thereunder.
- (l) “SIP” shall mean the Union Pacific Corporation 2001 Stock Incentive Plan, effective April 20, 2001, as amended; and the Union Pacific Corporation 2004 Stock Incentive Plan, effective April 16, 2004, and as it may thereafter be amended from time to time, or any successor stock incentive plan.
- (m) “Thrift Plan” shall mean the Union Pacific Corporation Thrift Plan, as in effect from time to time.

**1.4 Terms Defined in the Thrift Plan** - For all purposes of the Plan, the following terms shall have the meanings specified in the Thrift Plan, unless a different meaning is plainly required by the context: “Affiliated Company”; “Board of Directors”; “Code”; “Company”; “Employee”; “ERISA”; and “Plan Year.”

**1.5 Other Definitional Provisions** - The terms defined in Sections 1.3 and 1.4 of the Plan shall be equally applicable to both the singular and plural forms of the terms defined. The masculine pronoun, whenever used, shall include the feminine and *vice versa*. The words “hereof,” “herein” and “hereunder” and words of similar import when used in the Plan shall refer to the Plan as a whole and not to any particular provision of the Plan, unless otherwise specified.



## ARTICLE TWO

### Deferrals and Credits

#### 2.1 Deferrals and Credits

- (a) The Committee may permit an Eligible Employee to elect to make deferrals from Awards (in the case of an Award under SIP that is performance-based compensation, as such term is defined in Code section 409A, after adjustment for dividend equivalent payments in accordance with the terms of the document establishing such Award or, in the case of an Award under EIP, a portion of the EIP Award) to be credited under the Plan by filing an Award deferral agreement with the Committee on such form as may be prescribed by the Committee for such purpose, subject to such terms and conditions as the Committee may from time to time impose in its sole discretion. Notwithstanding the foregoing, such agreement must be filed within the period permitted under paragraph (b) below and shall authorize the Company or the Affiliated Company by which the Eligible Employee is employed to reduce the Eligible Employee's Award as elected by the Eligible Employee as of the date determined pursuant to subparagraph (c) below. The Company shall credit such amount to the Eligible Employee's Account under the Plan.
- (b) Any election by an Eligible Employee to defer an Award pursuant to paragraph (a) must be made:
- (1) If the Award is not performance-based compensation as defined under Code section 409A and the regulations promulgated thereunder, prior to the beginning of the calendar year in which the Eligible Employee performs the services for which the Award is payable; and
  - (2) If the Award is performance-based compensation, as defined under Code section 409A and the regulations promulgated thereunder, at least six (6) months prior to the end of the performance period to which the Award relates and before the date as of which such performance-based compensation becomes readily ascertainable, within the meaning of Code section 409A and the regulations promulgated thereunder, provided, however, that the Eligible Employee is continuously employed from the earlier of the beginning of such performance period or the date the performance goals for such performance period are established through the date of the deferral election.
- (c) An Eligible Employee's deferral under paragraph (a) above shall be made as of the same date that such Award would have been payable to the Eligible Employee under EIP or SIP had such Award not been deferred under the Plan. In the event the Eligible Employee satisfies the requirements for an Award under the EIP but has a Separation from Service before the date the EIP Award would have been paid to the Eligible Employee had such Award not been deferred under the Plan, it shall nevertheless be paid in accordance with such deferral election and the terms of this Plan (including without limitation the Specified Employee Restriction at Section 4.2) with respect to the implementation of such deferral election.

## ARTICLE THREE

### Valuation of Accounts

- 3.1 Establishment of Investment Funds** - The Committee shall have the authority in its sole discretion to provide a Participant with one or more investment funds for the Participant's Account and to add, delete, consolidate, substitute or otherwise change any such investment funds from time to time as the Committee may determine in its sole discretion. Notwithstanding any other provision of the Plan that may be interpreted to the contrary, the investment funds are to be used for measurement purposes only, and a Participant's election of any such investment fund, the allocation of the Participant's Account thereto, the calculation of additional amounts and the crediting or debiting of such amounts to a Participant's Account shall not be considered an actual investment of a Participant's Account in any such investment fund.
- 3.2 Transfers Between Investment Funds** - Subject to such rules as the Committee may prescribe from time to time in its sole discretion, a Participant may elect to transfer such portion of a Participant's interest in any investment fund as permitted by the Committee to any other available investment fund. Such rules may require that a Participant's Account under this Non-Grandfathered Plan is commingled for investment purposes with any "Account" a Participant may have in the Union Pacific Corporation Deferred Compensation Plan (409A Grandfathered Component). However, separate recordkeeping shall be maintained with respect to the portions of the Participant's benefit in the Deferred Compensation Plan attributable to its Grandfathered and Non-Grandfathered components.
- 3.3 Valuation and Accounting** -
- (a) Each investment fund shall be valued as such times and in accordance with such method(s) of valuation as determined from time to time in the sole discretion of the Committee, and the value of each Participant's Account shall be determined by reference to the portion of the Participant's Account allocable to each investment fund. The value of each Participant's interest in an investment fund may be measured in units, shares or dollars.
  - (b) The value of a Participant's Account shall equal the aggregate value of the investment funds allocable to such Account.

## ARTICLE FOUR

### Payments

#### **4.1 Payments on Separation from Service or Date Certain -**

- (a) (1) A Participant who fails to make a timely election described in Section 4.1(b) shall be deemed to have elected to receive the value of his Award Account at the time of his Separation from Service in a single lump-sum payment. Subject to Section 4.2, such payment shall be made to the Participant (or if such Participant is not living at the time of payment, to such Participant's Beneficiaries) as soon as administratively practicable following the Participant's Separation from Service, but in no event later than the end of the calendar year in which the Participant's Separation from Service occurs or, if later, ninety (90) days after such Separation from Service.
- (2) Notwithstanding subparagraph (a)(1) above and notwithstanding the election of the Participant described in Section 4.1(b), any Award Account established for an Award attributable to SIP to which an amount is credited under Section 2.1(c) by reason of a Participant's disability shall be paid (i) except for an Award described in clause (ii), as soon as administratively practicable following the date on which such amount is credited to the Award Account, but in no event later than the end of the calendar year or the 15<sup>th</sup> day of the third calendar month following the date on which such amount is credited to the Award Account, regardless of any election made by the Participant, and (ii) in accordance with Section 4.1(h), in the event such Award that is credited to the Award Account by reason of the Participant's disability is granted after 2013 and is performance based compensation (as such term is defined in Code section 409A).
- (b) (1) A Participant who has any Award Account in the Plan as of any time during the 2008 calendar year may elect in writing, according to such rules and using such forms as may be prescribed by the Committee, to have any such Account paid to him in one of the forms specified in paragraph (c) below, provided such Participant's Separation from Service occurs after December 31, 2008. Such election must be made no later than December 31, 2008.
- (2) A Participant who makes a deferral election under Section 2.1 for an Award made after December 31, 2008 may elect in writing, according to such rules and using such forms as may be prescribed by the Committee, to have the Award Account attributable to such Award paid to him in one of the forms specified in paragraph (c) below. Such election must be made before the end of the period in which to make a deferral election under Section 2.1(b) with regard to such Award.

- (c) A Participant may elect to have his Award Account paid to him in accordance with one of the following payment options, subject to Sections 4.2 and 4.3:
- (1) A single lump sum distribution as provided in subparagraph (a) payable at the earlier of (i) July of the year selected by the Participant or (ii) within thirty (30) days of the Participant's Separation from Service.
  - (2) A single lump-sum distribution as provided in subparagraph (a) payable (i) in the year of the Participant's Separation from Service or (ii) if selected by the Participant, January of the next year following such Separation from Service;
  - (3) Annual installments over a period not to exceed fifteen (15) years (such installment period to be elected by the Participant), beginning (i) as soon as administratively practicable following the Participant's Separation from Service, but in no event later than the end of the calendar year in which the Participant's Separation from Service occurs or, if later, ninety (90) days after such Separation from Service, or (ii) if elected by the Participant, January of the next year following such Separation from Service, with (under either option) subsequent installments paid in January of each subsequent year, with each installment determined by dividing the value of the Participant's then-undistributed Award Account under the Non-Grandfathered Plan by the number of installments remaining to be made; or
  - (4) A single lump-sum distribution payable in January of a year following the Participant's Separation from Service that is not earlier than two (2) years, and not later than fifteen (15) years following the Participant's Separation from Service, such year to be elected by the Participant. The amount of such distribution shall equal the balance in the Participant's Award Account at such specified date. Pending the lump-sum distribution as aforesaid, the Participant's Award Account shall continue to be invested in accordance with Article Three. If the Award Account relates to amounts deferred into this Plan from the SIP, the increase or decrease in the value of such Award Account shall be accumulated as part of the Award Account and paid out as part of such lump sum distribution. If the Award Account relates to amounts deferred into this Plan from the EIP, then at the end of each calendar quarter following the Participant's Separation from Service, the net increase or decrease in the value of such Award Account, measured from the first valuation of such Award Account pursuant to Article Three which coincides with or next follows the Participant's Separation from Service, shall be determined. Subject to subparagraph (d)(1)(A), the amount of any such net increase for any calendar quarter shall be distributed to the Participant within thirty (30) days following the end of such calendar quarter.
- (d) A Participant who has made the election or the deemed election described in subparagraphs (b) or (a) respectively may elect in writing to modify the form of payment and/or the payment commencement date for any Award Account (a "modification election") in accordance with the following rules:

- (1) When a Participant's existing form of payment
- (A) is described in subparagraphs (a), (c)(2) or (c)(3) above, a Participant may elect to receive the Participant's Award Account in the form set forth in paragraph (c)(2), (c)(3) and (c)(4) above, provided that any election of the form described in subparagraph (c)(4) above shall not provide separate quarterly payments of investment income,
- (B) is described in subparagraph (c)(1) above, a Participant may (i) elect to receive the Participant's Award Account in a single lump sum distribution in July of a later year, provided such July occurs before the Participant's Separation from Service or (ii) elect to receive the Participant's Award Account in the form described in subparagraph (c)(2), (c)(3) or (c)(4) above, provided that any election of the form described in subsection (c)(4) above shall not provide separate payments of investment income, and
- (C) is described in subparagraph (c)(4) above, a Participant may elect to receive the Participant's Account in the form described in subsection (c)(3) above or change to a later date as of which the Participant will be paid a single lump-sum under subparagraph (c)(4) above.
- (2) A Participant's modification election shall be made both prior to his Separation from Service and at least twelve (12) months prior to the date on which payments would have commenced in accordance with his prior election.
- (3) Notwithstanding the payment date indicated by the form of payment elected thereby, a Participant's modification election to alter the date on which his payments will commence and/or the form in which payment is made must have the effect of postponing the payment commencement date by at least five (5) years, and shall be administered accordingly. A Participant shall be permitted to make a modification election or elections with respect to (i) all of his Award Accounts with respect to amounts deferred from the SIP that are payable at the same time and in the same form; (ii) all of his Award Accounts with respect to amounts deferred from the EIP that are payable at the same time and in the same form, and (iii) fifty percent (50%) of the balance as of the applicable payment date of the Award Account(s) attributable to deferrals from the SIP or EIP, as the case may be, that are payable in accordance with subparagraph 4.1(c)(1) in the same year elected by the Participant in accordance with subparagraph 4.1(c)(1), each of which shall be considered a separately identified amount to which the Participant is entitled to payment on a determinable date with the meaning of Treas. Reg. § 1.409A-2(b)(2)(i), in accordance within such rules as may be established by the Committee for this purpose consistent with the requirements of Section 409A of the Code and the regulations thereunder. No such modification election shall be permitted if the payment commencement date that was previously elected was more than ten (10) years after the Participant's Separation from Service.

- (4) In the case of a Participant who desires to (A) change the method of payment from a single lump-sum distribution to annual installments, or (B) postpone the payment commencement date of annual installments that he previously elected, the maximum number of annual installments shall be fifteen (15), minus the number of years (with a fractional year rounded up to a full year) between the Participant's Separation from Service and the postponed payment commencement date.
- (5) For purposes of this paragraph (d),
- (A) the date as of which payments to a Participant would have commenced, absent the election provided by this paragraph, shall be deemed to be the first possible date as of which such payments could have been made to the Participant;
- (B) the quarterly payment of investment income provided under paragraph (c)(4) above shall be treated as a separate form of payment from the single lump-sum distribution provided by such paragraph; and
- (C) the entitlement to a series of installment payments shall be treated as the entitlement to a single form of payment.
- (e) Except with respect to an Award attributable to SIP granted after 2013 that is performance based compensation (as such term is defined in Code section 409A) in which the Participant has vested due to the Participant's death and is payable in accordance with Section 4.1(h)(1), on the death of a Participant who has not received payment of his full Account under this Section 4.1, the Committee shall cause the unpaid balance of the Participant's vested account to be paid in a single lump-sum payment to such Participant's Beneficiaries. Such payment shall be made as soon as administratively practicable following completion of the first valuation of the Participant's Account pursuant to Article Three which coincides with or next follows the Participant's date of death, but in no event later than the end of the calendar year in which the Participant's date of death occurs or, if later, ninety (90) days after such date of death.
- (f) Subject to Sections 4.2 and 4.3 and notwithstanding the deemed election or election of a Participant described in Section 4.1(a) or (b) respectively, any Award Account established for an Award attributable to SIP, other than such an Award in which the Participant has vested due to such Participant's disability, which is granted in 2011 that is not performance-based compensation, as defined under Code section 409A, shall be paid to a Participant:

- (1) who has a Separation from Service before February 3, 2015, in a single sum as soon as administratively practicable following such date, but in no event later than the end of the 2015 calendar year or, if later, ninety (90) days after such date or;
  - (2) who has a Separation from Service on or after February 3, 2015, in accordance with the payment option set forth in Section 4.1(c) and elected by the Participant (or in accordance with Section 4.1(a) in the event the Participant fails to make such election); provided, however, that a Participant who has elected the form of payment set forth in Section 4.1(c)(1) shall be paid at the earlier of (i) July of the year selected by the Participant that is after 2015 or (ii) within thirty (30) days of the Participant's Separation from Service.
- (g) Subject to Sections 4.2 and 4.3 and notwithstanding the deemed election or election of a Participant described in Section 4.1(a) or (b) respectively, any Award Account established for an Award attributable to SIP, other than such an Award in which the Participant has vested due to such Participant's disability, which is: (i) granted in 2011 that is performance based compensation, as such term is defined in Code section 409A or (ii) granted after 2011 and before 2014 (regardless of whether the Award is performance based compensation), shall be paid to a Participant:
- (1) who has a Separation from Service before the end of the "Restriction Period" as such term is defined in the letter agreement granting such Award, in a single sum as soon as administratively practicable following the end of such Restriction Period, but in no event later than the end of the calendar year in which such Restriction Period ends or, if later, ninety (90) days after the end of such Restriction Period; or
  - (2) who has a Separation from Service on or after the end of the "Restriction Period" as such term is defined in the letter agreement granting such Award, in accordance with the payment option set forth in Section 4.1(c) and elected by the Participant (or in accordance with Section 4.1(a) in the event the Participant fails to make such election); provided, however, that a Participant who has elected the form of payment set forth in Section 4.1(c)(1) shall be paid at the earlier of (i) July of the year selected by the Participant that is after the end of the calendar year in which such Restriction Period ends or (ii) within thirty (30) days of Participant's Separation from Service.
- (h) Subject to Sections 4.2 and 4.3 and notwithstanding the deemed election or election of a Participant described in Section 4.1 (a) or (b) respectively, any Award Account established for an Award attributable to SIP granted after 2013, other than such an Award that is both (i) not performance based compensation (as defined under Code section 409A) and; (ii) vested due to the Participant's disability, shall be paid to a Participant:

- (1) who has a Separation from Service before the “Restriction Period Termination Date” as such term is defined in the letter agreement granting such Award, in a single sum as soon as administratively practicable following such Restriction Period Termination Date, but in no event later than the end of the calendar year in which such Restriction Period Termination Date occurs or, if later, ninety (90) days following such Restriction Period Termination Date; or
- (2) who has a Separation from Service on or after the “Restriction Period Termination Date” as such term is defined in the letter agreement granting such Award, in accordance with the payment option set forth in Section 4.1 (c) and elected by the Participant (or in accordance with Section 4.1(a) in the event the Participant fails to make such election); provided, however, that a Participant who has elected the form of payment set forth in Section 4.1(c)(1) shall be paid at the earlier of (i) July of the year selected by the Participant that is after the end of the calendar year in which such Restriction Period Termination Date occurs or (ii) within thirty (30) days of Participant’s Separation from Service.

With respect to an Award attributable to SIP granted after 2013 which is not performance based compensation and is vested due to the Participant’s disability, such Award shall, notwithstanding the election of the Participant described in Section 4.1(b), be paid in accordance with Section 4.1(a)(2).

**4.2 Specified Employee Restriction** – Notwithstanding anything in the Plan to the contrary, no payment shall be made to a “specified employee” (as determined in accordance with a uniform policy adopted by the Company with respect to all arrangements subject to Section 409A of the Code maintained by the Company and its Affiliated Companies) on account of such specified employee’s Separation from Service until six (6) months plus one day following such specified employee’s Separation from Service; provided however, in the event of the specified employee’s death before his payment commencement date, this provision shall not prevent payment of death benefits at the time prescribed by Section 4.1(e).

**4.3 Additional Restrictions on Payment Options** – Notwithstanding anything in Section 4.1 to the contrary; except, however the last sentence of subparagraph 4.1(a):

- (a) the Participant may always elect the payment option described in subparagraph 4.1(c)(1) (providing for payment as of a specified date prior to Separation from Service) with respect to amounts to be deferred to an Award Account, regardless of the payment options the Participant may have elected with respect to any Award Accounts previously established under this Non-Grandfathered Plan.
- (b) with regard to the payment options described in subparagraphs 4.1(c)(2), 4.1(c)(3) or 4.1(c)(4) (each providing for payment following Separation from Service and henceforth referred to as the “Separation Payment Options”), the Participant may elect only one such Separation Payment Option with respect to (i) all Award Accounts consisting of amounts deferred into this Plan from the SIP and (ii) all Award Accounts consisting of amounts deferred into this Plan from the EIP (other than, in each case, Award Accounts for which the payment option described in subparagraph 4.1(c)(1) has been elected). A Participant’s initial election of a Separation Payment Option, with respect to amounts deferred from the SIP or EIP, as the case may be, shall apply to all subsequent deferrals from the SIP or EIP, as applicable, unless the Participant elects the payment option described in subparagraph 4.1(c)(1) for such subsequent deferral.



- (c) a Participant's modification election made in accordance with Section 4.1(d) may not change the form of payment of an Award Account from a Separation Payment Option to the form of payment described in subparagraph 4.1(c)(1). In addition, any change to a different Separation Payment Option must apply to all Award Accounts attributable to deferrals from the SIP or EIP, as the case may be, for which a Separation Payment Option has been elected.
- (d) in the event an Award Account is to be paid in accordance with the payment option described in subparagraph 4.1(c)(1) prior to the Participant having a Separation from Service, and at the time of such payment the Company reasonably anticipates that its deduction with respect to the Award Account payable to such Participant would be reduced or eliminated by Code section 162(m), such payment shall be delayed until the Company's first taxable year in which it reasonably anticipates that its deduction of such payment will not be reduced or eliminated by Code Section 162(m), and following such determination will then be paid in a single lump-sum distribution as soon as administratively practicable in such taxable year. Notwithstanding anything in this Section 4.3(d) to the contrary, this Section 4.3(d) shall apply only to an Award Account attributable to an Award granted on or prior to November 2, 2017 which is not materially modified on or after such date and accordingly, is not subject to the Tax Cuts and Jobs Act of 2017 amendments to Code section 162(m).

**4.4 Responsibility for Payments** – All payments attributable to credits made hereunder on behalf of a Participant shall be made by the Company on its own behalf or on behalf of the Affiliated Company by who such Participant was employed when such credits were made. Such Affiliated Company shall reimburse the Company for all amounts paid on its behalf.

## ARTICLE FIVE

### Administration

- 5.1 Responsibilities and Powers of the Committee** - The Committee shall be solely responsible for the operation and administration of the Plan and shall have all powers necessary and appropriate to carry out its responsibilities in operating and administering the Plan. Without limiting the generality of the foregoing, the Committee shall have the responsibility and power to interpret the Plan, to make factual determinations and to determine whether a credit should be made on behalf of a Participant, the amount of the credit and the value of the amount so credited on any subsequent date. The determination of the Committee, made in good faith, shall be conclusive and binding on all persons, including Participants and their Beneficiaries. The Committee may delegate part or all of its authority to operate and administer the Plan to the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or the Company with similar authority, and may grant authority to such person to execute agreements or other documents relating to the administration of the Plan as such person deems necessary or appropriate.
- 5.2 Outside Services** - The Committee may engage counsel and such clerical, medical, financial, investment, accounting and other specialized services as its may deem necessary or desirable to the operation and administration of the Plan. The Committee shall be entitled to rely, and shall be fully protected in any action or determination or omission taken or made or omitted in good faith in so relying, upon any opinions, reports or other advice which is furnished by counsel or other specialist engaged for that purpose.
- 5.3 Indemnification** - The Company shall indemnify the members of the Committee against any and all claims, loss, damages, expense (including reasonable counsel fees) and liability arising from any action or failure to act or other conduct in the Committee member's official capacity, except when the same is due to her own gross negligence or willful misconduct.
- 5.4 Claims Procedures** - The claims procedures set forth in Article XIII of the Thrift Plan shall apply to any claim for benefits hereunder, subject to such changes as the Committee deems necessary or appropriate.

## ARTICLE SIX

### Amendment and Termination

- 6.1 **Amendment** - The Board of Directors reserves the right at any time and from time to time, and retroactively if deemed necessary or appropriate to conform with governmental regulations or other policies, to modify or amend in whole or in part any or all of the provisions of the Plan. In addition, the chief human resources officer of Union Pacific Railroad Company or such other officer or employee of Union Pacific Railroad Company or the Company with similar authority, may make (a) all technical, administrative, regulatory and compliance amendments to the Plan or (b) any other amendment to the Plan that will not significantly increase the cost of the Plan to the Company as he or she deems necessary or appropriate. Notwithstanding anything to the contrary above, no amendment shall operate to reduce the accrued benefit of any individual who is a Participant at the time the amendment is adopted.
- 6.2 **Termination** - The Plan is purely voluntary and the Board of Directors reserves the right to terminate the Plan at any time, provided, however, that the termination shall not operate to reduce the accrued benefit of any individual who is a Participant at the time the Plan is terminated.

## ARTICLE SEVEN

### General Provisions

- 7.1 **Source of Payments** - The Plan shall not be funded and all payments hereunder to Participants and their Beneficiaries shall be paid from the general assets of the Company. The Company shall not, by virtue of any provisions of the Plan or by any action of any person hereunder, be deemed to be a trustee or other fiduciary of any property for any Participant or his Beneficiaries and the liabilities of the Company to any Participant or his Beneficiaries pursuant to the Plan shall be those of a debtor only pursuant to such contractual obligations as are created by the Plan and no such obligation of the Company shall be deemed to be secured by any pledge or other encumbrance on any property of the Company. To the extent that any Participant or his Beneficiaries acquire a right to receive a payment from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.
- 7.2 **No Warranties** - Neither the Committee nor the Company warrants or represents in any way that the value of each Participant's Account will increase or not decrease. Such Participant assumes all risk in connection with any change in such value.
- 7.3 **Inalienability of Benefits** - No benefit payable under, or interest in, the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge and any attempt to do so shall be void; nor shall any such benefit or interest be in any manner liable for or subject to garnishment, attachment, execution or levy or liable for or subject to the debts, contracts, liabilities, engagements or torts of any Participant or his Beneficiaries. In the event that the Committee shall find that any Participant or his Beneficiaries has become bankrupt or that any attempt has been made to anticipate, alienate, sell, transfer, assign, pledge, encumber or charge any benefit payable under, or interest in, the Plan, the Committee shall hold or apply such benefit or interest or any part thereof to or for the benefit of such Participant or his Beneficiaries, his spouse, children, parents or other relatives or any of them.
- 7.4 **Expenses** - The Company shall pay all costs and expenses incurred in operating and administering the Plan, including the expense of any counsel or other specialist engaged by the Committee.
- 7.5 **No Right of Employment** - Nothing herein contained nor any action taken under the provisions hereof shall be construed as giving any Participant the right to be retained in the employ of the Company or any Affiliated Company.
- 7.6 **Limitations on Obligations** - Neither the Company, nor any Affiliated Company, nor any officer or employee of either, nor any member of the Board of Directors nor the Committee shall be responsible or liable in any manner to any Participant, Beneficiary or any person claiming through them for any action taken or omitted in connection with the granting of benefits or the interpretation and administration of the Plan.

- 7.7 **Withholding** - The Company shall, on its own behalf or on behalf of the Affiliated Companies, withhold from any payment hereunder the required amounts of income and other taxes.
- 7.8 **Headings** - The headings of the Sections in the Plan are placed herein for convenience of reference and, in the case of any conflict, the text of the Plan, rather than such heading, shall control.
- 7.9 **Construction** - The Plan shall be construed, regulated and administered in accordance with the laws of the State of Utah, without regard to the choice of law principles thereof.
- 7.10 **Payments to Minors, Etc.** - Any benefit payable to or for the benefit of a minor, an incompetent person or other person incapable of receiving therefor shall be deemed paid when paid to such person's guardian or to the party providing or reasonably appearing to provide for the care of such person and such payment shall fully discharge the Committee, the Company, all Affiliated Companies and all other parties with respect thereto.

**CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER**

I, V. James Vena, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Union Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 24, 2024

/s/ V. James Vena  
V. James Vena  
Chief Executive Officer

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER**

I, Jennifer L. Hamann, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Union Pacific Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 24, 2024

/s/ Jennifer L. Hamann  
Jennifer L. Hamann  
Executive Vice President and  
Chief Financial Officer

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying quarterly report of Union Pacific Corporation (the Corporation) on Form 10-Q for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, V. James Vena, Chief Executive Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ V. James Vena  
V. James Vena  
Chief Executive Officer  
Union Pacific Corporation

October 24, 2024

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying quarterly report of Union Pacific Corporation (the Corporation) on Form 10-Q for the period ending September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the Report), I, Jennifer L. Hamann, Executive Vice President and Chief Financial Officer of the Corporation, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

By: /s/ Jennifer L. Hamann  
Jennifer L. Hamann  
Executive Vice President and  
Chief Financial Officer  
Union Pacific Corporation

October 24, 2024

A signed original of this written statement required by Section 906 has been provided to the Corporation and will be retained by the Corporation and furnished to the Securities and Exchange Commission or its staff upon request.